FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-92-215
Thursday
5 November 1992

Daily Report
East Asia

FBIS-EAS-92-215 CONTENTS *5 November 1992*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

- France Urges PRC To Heed ASEAN on Spratlys *[Manila THE MANILA CHRONICLE 3 Nov]* 1
- Japan Warns Aid Recipients on Arms Buildup *[KYODO]* 1

INTER-ASIAN AFFAIRS

- Japan-DPRK Normalization Talks Resume in PRC *[KYODO]* 3
  - 'Little Progress' Reported *[KYODO]* 3

NORTHEAST ASIA

Japan

- Further Reaction to U.S. Presidential Election 5
  - Foreign Ministry, DA Comment *[RYUKYU SHIMPO 5 Nov]* 5
  - Firms 'Worried' About Tax Hike *[KYODO]* 5
  - 'Top' Businessman Views Clinton *[KYODO]* 5
  - Major Dailies on Clinton's Win *[KYODO]* 6
- Tanahashi: 1992 GATT Talks Conclusion Possible *[KYODO]* 6
- ROK To Avoid Fishing Off Northern Territories *[KYODO]* 7
- Prince Akishino, Princess Leave for Asian Tour *[KYODO]* 7
- Princess Nori Leaves for Australia, New Zealand *[KYODO]* 7
- Nigerian Swindlers 'Targeting' Japanese Companies *[KYODO]* 7
- Miyazawa Vows To Exert More Leadership *[KYODO]* 8
  - To 'Fully Cooperate' With Diet *[KYODO]* 8
- Dietmen 'Moved To Silence' Takeshita Harassment *[KYODO]* 9
- LDP's Largest Faction Meets Minus Ozawa Group *[KYODO]* 9
- Nagano Urges Miyazawa To Reduce Income Tax *[KYODO]* 10
- Miyazawa Rules Out Issuing Short-Term Bonds *[KYODO]* 10
- Stock Market 'Strong Wait-and-See Mood' Noted *[KYODO]* 10
- Miyazawa Says Land Prices Should Fall Further *[KYODO]* 10
- IAEA Mission To Make Regular Safety Checks *[KYODO]* 11

North Korea

- Trade Union Delegation Leaves for China 4 Nov *[KCNA]* 11
- Syrian President Meets DPRK Military Delegates *[Pyongyang Radio]* 11
- CPRF Denounces Planned U.S.-ROK Exercises *[KCNA]* 11
- Koreans in Japan Urge Cancelling Team Spirit *[KCNA]* 12
- Article Criticizes U.S.-ROK Military Exercises *[KCNA]* 12
- South 'Responsible' for Failure To Open Talks *[KCNA]* 12
- South's Kim Yong-sam Called 'Two-Bit Shyster' *[KCNA]* 13
- ROK Assemblymen Protest Prime Minister's Remarks *[KCNA]* 13
- South's Election 'Neutrality' Questioned *[KCNA]* 13
- Significance of Work on Party Building Analyzed *[KCNA]* 14

South Korea

- Further Government, Media Reaction to Clinton Win 15
  - Defense Minister Sees No Change *[YONHAP]* 15
  - Focus on Minimizing Trade Friction *[YONHAP]* 15

  - ‘Ways To Actively Cooperate’ Studied *[YONHAP]* 16
  - Ambassador To Be Liaison With Clinton Team *[YONHAP]* 16
  - ‘Adverse Impact’ on Industries Feared *[THE KOREA TIMES 5 Nov]* 17
  - Clinton Win May Aid Building Sector *[YONHAP]* 18
  - Clinton Seen Bringing ‘Fresh Air’ *[THE KOREA HERALD 5 Nov]* 18
  - U.S. Election Issues Summarized *[THE KOREA TIMES 5 Nov]* 18
  - Dailies Examine Ties Under Clinton *[TONG-A ILBO, etc. 4 Nov]* 19
- Visa Rules for Business Trips to PRC Eased *[YONHAP]* 20
- Russia Denounces DPRK for Jeopardizing Talks *[YONHAP]* 21
- New Theoretical Work by Kim Chong-il Noted *[YONHAP]* 21
- * DPRK Economy Seen Heading Toward Capitalism *[SISA JOURNAL 1 Oct]* 21
- Joint Reconciliation Panel Meeting Not Held *[Seoul Radio]* 25
- No Tae-u's Departure From Ruling Party Examined 25
  - Motives Eyed *[CHUGAN CHOSON 1 Oct]* 25
  - * Departure To Affect Economic Policy *[HANGUK KYONGJE SINMUN 23 Sep]* 26
  - * Resignation Still ‘Puzzle’ *[CHUGAN CHOSON 8 Oct]* 28
- Kim Tae-chung Set for Final Campaign Stretch *[THE KOREA TIMES 1 Nov]* 30

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

- Papers Urge Clinton To Repair ‘Ugly’ U.S. Image *[KYODO]* 33
- Mahathir Condemns U.S. for Mistreating Detainees *[AFP]* 33
- Mahathir Urges Party Unity *[NEW STRAITS TIMES 3 Nov]* 34
- Protest to GATT Over Tropical Timber Labels *[Kuala Lumpur International]* 34
- Hawk Purchase Unrelated to ‘Territorial Claims’ *[NEW STRAITS TIMES 3 Nov]* 34
- Sweden Provides Fund for Environmental Protection *[BERNAMA]* 35
- Uzbekistan Airlines Begins Weekly Flights *[BERNAMA]* 35

Singapore

- KYODO Reports Reaction to Clinton Victory 35
- Satellite-Based Aircraft Tracking System Planned *[THE STRAITS TIMES 3 Nov]* 36

Cambodia

- Government Spokesmen Hold News Conference 3 Nov *[Phnom Penh Radio]* 36
- ‘Teachers’ Accuse Japan of Favoring Phnom Penh *[Radio VGNUFC]* 37
- KR Deny Killing 11 Vietnamese in Koh Kong *[Radio VGNUFC]* 37
- Sanctions Urged on KR if 7-8 Nov Meet Fails *[AFP]* 37
- UNTAC Accused of Collusion With SRV, SOC *[Radio VGNUFC]* 38

Indonesia

- Government Hopes for Clinton Focus on Asia *[Jakarta Radio]* 38
- Suharto Congratulates Clinton on Victory *[Jakarta Radio]* 39
- Papers View U.S. Election Results *[Jakarta Radio]* 39
- Government Vows To Control Foreign Debt *[THE JAKARTA POST 30 Oct]* 39
- Alatas, France's Dumas To Discuss Cambodia *[Jakarta Radio]* 40
- Timor Resistance Marks Dili Massacre Anniversary *[AFP]* 40

Laos

- Commentary Views Clinton's Election Victory *[Vientiane Radio]* 41

Philippines

- Officials, Papers Comment on Clinton Victory 41

Senators Optimistic for 'Warmer' Ties *[BUSINESS WORLD 5 Nov]* 41
Editorial: 'No Cause for Celebration' *[MALAYA 5 Nov]* 42
Editorial Hails U.S. Electoral Process *[THE MANILA CHRONICLE 5 Nov]* 43
Editorial Sees 'Hope' in Clinton Victory *[PHILIPPINE DAILY INQUIRER 5 Nov]* 44
Ramos Orders Probe of Alleged Arms Shipment *[THE MANILA CHRONICLE 5 Nov]* 45

Thailand

Government Officials React to Clinton Victory 45
Premier Sees 'Little Impact' on Trade *[Bangkok Radio]* 45
Commerce Minister 'Not Worried' *[Bangkok Radio]* 45
Defense Minister Predicts Little Change *[Bangkok TV]* 46
Officials, Businessmen Fear Protectionism *[THE NATION 5 Nov]* 46
Papers View New U.S. Administration Policies 47
Possible Policy Changes Discussed *[BANGKOK POST 5 Nov]* 47
Possible 'Tougher' Trade Protection Seen *[BANGKOK POST 5 Nov]* 48
Clinton Domestic, Foreign Policy Viewed *[THE NATION 5 Nov]* 48
Emphasis on Human Rights Expected *[THE NATION 5 Nov]* 49
Editorials Comment on Clinton Victory *[NAEO NA, etc. 5 Nov]* 50
Textile Agreement With EC To Be Extended 2 Years *[BANGKOK POST 4 Nov]* 51
Exporters Worried by Jan 1993 EC Restrictions *[THE NATION 5 Nov]* 51
Committee Okays Curbing Khmer Rouge Border Trade *[THE NATION 5 Nov]* 52
Chat Thai Leader Named Formal Leader of Opposition *[BANGKOK POST 4 Nov]* 52
Bangkok Bank To Open Branch in PRC 7 Nov *[THE NATION 3 Nov]* 52
New TV Channels To Promote Freedom of Information *[THE NATION 5 Nov]* 53

Vietnam

Deputy Premier Proposes Normalization With U.S. *[AFP]* 53
Spokeswoman on Clinton, PRC Oil Rig *[Hanoi International]* 54
Radio Comments on Tasks Facing Clinton *[Hanoi International]* 54
Friendship Group Condemns U.S. Sanctions on Cuba *[VNA]* 54
U.S. Flood Relief Delegation Visits *[VNA]* 54
Hanoi Warns of Khmer Rouge 'Warlike Acts' *[Hanoi International]* 55
Khmer Rouge 'Massacre' of Vietnamese Condemned *[Hanoi International]* 55
Thai Efforts To Help Cambodia Peace Viewed *[Hanoi International]* 55
France Gives 180 Million Francs in Economic Aid *[VNA]* 56
Deputy Prime Minister Receives Mexican Official *[VNA]* 56
Radio Reports Trade Volume with Korea *[Hanoi International]* 56
Domestic Economy, Political Leadership Examined *[Singapore THE STRAITS TIMES 2 Nov]* ... 56
Meeting Reviews Project on Financial System *[VNA]* 58
Meeting Held on Central Highlands Development *[NHAN DAN 29 Aug]* 58
Buddhist Congress Closes; Leaders Visit Do Muoi *[VNA]* 59

AUSTRALASIA

Australia

Minister Expects Nuclear Test Ban Under Clinton *[Melbourne International]* 60
Minister Fears Depression if U.S. Sanctions EC *[Melbourne International]* 60
Evans To Take Part in Cambodian Peace Talks *[Melbourne International]* 60
Parliamentarians Criticize New E. Timor Governor *[Melbourne International]* 60

France Urges PRC To Heed ASEAN on Spratlys

HK0311032492 Manila THE MANILA CHRONICLE in English 3 Nov 92 p 1

[Report by Johanna Son]

[Text] France yesterday asked China to "heed" Asean's call for a peaceful settlement of the South China Sea disputes, saying it was essential if Beijing wants to keep its good standing with other powers in the United Nations.

Georges Kiejman, French deputy minister for foreign affairs, said the European Community's [EC] "great attention" to the South China Sea "is a signal to China that if it wishes to preserve its good relations with other members of the (United Nations) Security Council, then it should heed—I wouldn't call this a warning—but at least heed this declaration."

China is one of five permanent members of the UN Security Council, along with EC members Britain and France. The others are the United States and Russia.

Kiejman's statement, made in reply to a question at yesterday's press conference, added weight to the EC's formal endorsement last week of the Asean Declaration on the South China Sea and bolsters efforts to discourage Beijing from forcing the issue in the disputed area.

Although Kiejman did not call his remarks a warning, foreign affairs officials found it a "pretty strong statement" just the same.

Yesterday was the first time an EC member publicly acknowledged that its support for the Asean Declaration was meant as a counterweight to any Chinese initiative in the South China Sea, which is believed to have big oil and gas deposits.

By backing Asean's moves, Kiejman said, EC "does send a signal to the People's Republic of China that indeed the European communities want a peaceful settlement and not some kind of a settlement by force."

Other claimants in the South China Sea see China, with its big push toward modernization gaining momentum as the United States reduces its presence in Asia, as the country most likely to pursue its bid on the Spratlys and the Paracels.

Earlier this year, China passed a law defining its territorial waters to cover a wide expanse of the South China Sea, including the Spratlys and the Paracel Islands.

At the same time, Kiejman acknowledged that China has always been conscious about the way the international community reacts to its actions.

"In spite of its power vis-a-vis the external world... China has always been responsive to the attitude of the international community," Kiejman said.

The Asean Declaration on the South China Sea, also called the Manila Declaration, was issued by Asean Foreign Ministers in July as a proposed code of conduct for claimants of the disputed islands.

Asean invited all claimants to subscribe to the declaration, which enjoins them to avoid provocation and to explore joint cooperation of the South China Sea's resources.

China issued guarded support for the declaration, saying it backed "some" of its contents. Its officials say publicly that Beijing is interested in joint cooperation and favors the peaceful settlement of claims in the South China Sea.

Apart from China, there are five other countries laying claim to the Spratlys—the Philippines, Malaysia, Brunei, Vietnam and Taiwan. China and Vietnam also claim the Paracels, over which they had a shooting skirmish of few years ago.

Filipino diplomats said they were heartened by the EC's response, since increased support for the Manila Declaration would help discourage Beijing from making aggressive moves in the South China Sea.

Japan Warns Aid Recipients on Arms Buildup

OW0411071392 Tokyo KYODO in English 0616 GMT 4 Nov 92

[Text] Tokyo, Nov. 4 KYODO—Japan warned recipients of its economic aid Wednesday to pay "full attention" to new Japanese guidelines that restrict financial aid to countries with excessive military programs.

The warning came from parliamentary Vice Foreign Minister Koji Kakizawa in a keynote address to a conference on arms reduction and economic development.

"We believe that each country must sincerely ask itself whether its military expenditure is fully justified by its security environment," Kakizawa said.

"We are ready to engage in constructive dialogue with recipient countries to address this important question together," he told the opening of the three-day international conference at the United Nations University.

Japan announced in 1991 that it would link official development assistance to a nation's trend in military spending, development and production of weapons of mass destruction and missiles, and record in the arms trade.

Kakizawa also encouraged developing nations hoping to emulate Japan's economic successes to follow Japan's example of curbing military expenditures.

Japan's remarkable economic growth owes a great deal to restrictions of defense expenditures to less than 1 percent of gross national product (GNP) over the last decade, Kakizawa told the gathering of military and economics experts, and embassy representatives.

"I sincerely hope developing countries will draw a useful lesson from our experience," he said.

Turning to militarily advanced nations, Kakizawa urged arms exporters to exercise restraint to deter destabilizing military buildups.

Japan considers itself a "natural leader" in the international effort to curb the arms trade because of its ban on arms exports, he added.

Japan-DPRK Normalization Talks Resume in PRC

OW0511041792 Tokyo KYODO in English 0400 GMT 5 Nov 92

[Text] Beijing, Nov. 5 KYODO—Japanese and North Korean delegations met in Beijing on Thursday in resumed negotiations on normalization of diplomatic ties after an almost six-month impasse.

At the beginning of the two days of talks at the North Korean Embassy, Japan's chief negotiator Noboru Nakahira, a senior Foreign Ministry official, told his North Korean counterpart Yi Sam-no on Japan's prerequisites for improving bilateral ties, Japanese officials said.

Nakahira acknowledged that with Pyongyang allowing inspections of its nuclear facilities by the International Atomic Energy Agency (IAEA) in May "a certain amount of progress" had been made to remove the biggest hurdle to normalizing bilateral relations.

But pointing to North Korea's refusal to agree to mutual checks of nuclear facilities with South Korea, he also said "international concern has not been wiped out yet. If this problem is not solved, normalization of ties will be difficult."

Nakahira stressed Japan would not normalize ties as long as Pyongyang made no step forward in resolving the nuclear issue.

"Now that the international political climate has changed from hostility to reconciliation and new friendly relations have been set up in Northeast Asia, we firmly believe we can realize the normalization of ties with North Korea," he said, pointing to the newly established China-South Korea ties.

South Korea and North Korea's long-time ally China established diplomatic relations in August.

The eighth round of normalization talks was originally scheduled for July, but postponed because of the IAEA inspections, inter-Korean prime ministers' talks, and the Japanese emperor's visit to China in October.

The postponement was also made to give Pyongyang time to evaluate the recent new developments, Japanese officials said.

Besides Pyongyang's alleged nuclear weapons program, the talks will concentrate on the validity of the 1910 annexation treaty that transformed the Korean peninsula into a Japanese colony for the following 35 years.

Pyongyang is also expected to restate demands for compensation for victims of war and of Japanese colonial rule, including the so-called "comfort women" who were forced to serve as prostitutes in military brothels.

The last round of government-level negotiations, which began in January 1991, was held in May.

'Little Progress' Reported

OW0511083292 Tokyo KYODO in English 0811 GMT 5 Nov 92

[Text] Beijing, Nov. 5 KYODO—Negotiations between Japan and North Korea on normalization of bilateral ties made little progress Thursday with both sides reiterating familiar positions.

At the North Korean Embassy for the first day of a new round of talks, Japan's chief negotiator Noboru Nakahira told his North Korean counterpart Yi Sam-no that Japan would not normalize ties as long as Pyongyang took no steps to alleviate fears over its alleged nuclear weapons program.

Pointing to North Korea's refusal to agree to mutual checks of nuclear facilities with South Korea, he said, "international concern has not been eradicated yet. If this problem is not solved, normalization of ties will be difficult."

Nakahira, however, acknowledged that as a result of limited inspections of North Korean nuclear facilities by the International Atomic Energy Agency (IAEA) in May "a certain amount of progress" had been made toward removing the biggest obstacle to normalizing ties.

Yi for his part blamed South Korea and the United States for blocking mutual inspections and said Tokyo was making up "the nuclear doubt" to justify its own nuclear ambitions.

"Despite increasing international concern, Japan continues to accumulate more plutonium than it actually needs," he said, citing a controversial shipment of a ton of reprocessed plutonium from France for use in Japanese fast-breeder reactors.

He stressed that Pyongyang had proved its peaceful intentions by allowing the IAEA to inspect its facilities three times.

Yi restated demands for compensation for victims of World War II and Japan's 1910-1945 colonial rule, including the "comfort women" who were forced to serve as prostitutes in military brothels.

He said Japanese proposals to pay compensation based on the 1905 Korean-Japanese convention that transformed the Kingdom of Korea into a Japanese protectorate were invalid, as the treaty itself was void. He stressed that the treaty had not been signed by the Korean emperor of the time, Kojong.

Nakahira, though, was optimistic that the establishment of Chinese-South Korean diplomatic relations in August will give new impetus to Japan-North Korea normalization.

"Now that the international political climate has changed from hostility to reconciliation and new friendly relations have been set up in Northeast Asia, we firmly believe we can realize normalization of ties with North Korea," he said.

The eighth round of normalization talks was originally scheduled for July, but was postponed because of the IAEA inspections, inter-Korean prime ministers' talks, and the Japanese emperor's visit to China in October. The postponement was also made to give Pyongyang time to evaluate recent developments, Japanese officials said.

The last round of government-level negotiations was held in May.

Japan

Further Reaction to U.S. Presidential Election

Foreign Ministry, DA Comment

OW0511031792 Naha RYUKYU SHIMPO in Japanese 5 Nov 92 Morning Edition p 2

[Text] Tokyo—The American presidential election ended with Democratic candidate Clinton winning in a landslide. Regarding the effect of his election on Okinawa, where U.S. military bases in Japan are concentrated, the Foreign Ministry and the Defense Agency [DA] are reacting calmly, saying "It is hard to foresee any drastic changes in the military bases on Okinawa." Yukio Sato, chief of the Foreign Ministry's North American Affairs Bureau, said that Japan intends to continue talks with the U.S. side on relocating and scaling back the U.S. military bases on Okinawa when the new administration is inaugurated in the United States. The talks began in May this year, on the 20th anniversary of the reversion of Okinawa to Japanese rule.

On Mr. Clinton's defense policy, the Foreign Ministry and the Defense Agency said that the victorious Democratic candidate has so far shown no signs of drastically changing the Bush administration's defense policy. The basic view held by the ministry and the agency is that no drastic changes will take place regarding the presence of U.S. forces in the Asian-Pacific region.

In connection with the defense policy of a new Clinton administration, the North American Affairs Bureau of the Foreign Ministry on 4 November made an official comment that "there will be no great change in the basic U.S. defense policy, and no drastic changes are expected to occur in the forward presence of U.S. forces in the Asian-Pacific region."

The Foreign Ministry is now making a close analysis of statements that Mr. Clinton made during his campaign, but he made no specific statements concerning the reduction of U.S. troops in the Asian-Pacific region.

To cite Mr. Clinton's differences with the Bush administration on defense policy, he said that he intends to 1) cut defense spending and 2) scale back U.S. forces in Europe.

The Foreign Ministry believes that a Clinton administration may further cut the defense budget, while stepping up efforts to make the four services of the Armed Forces more efficient and scaling back U.S. forces in Europe. Mr. Clinton has stressed his position of attaching greater importance to the United Nations. Analyzing his remarks, the Foreign Ministry believes that he intends to deal with international matters through collaboration with allied nations, including Japan, while seeking to share the responsibility and the burden with those allied nations.

The Defense Agency is showing some apprehension about the prospect that U.S. Secretary of Defense and other senior officials will be replaced. The agency is concerned about the possibility of the Pentagon's major posts remaining vacant until a new U.S. Administration is inaugurated. The Defense Agency is of the opinion that a "new U.S. Administration will not consolidate the military bases on Okinawa, but reduce them in the future."

Firms 'Worried' About Tax Hike

OW0511081292 Tokyo KYODO in English 0803 GMT 5 Nov 92

[Text] New York, Nov. 5 KYODO—Japanese companies operating in the United States are worried about becoming the target of a proposed tax hike for foreign companies envisioned by President-Elect Bill Clinton.

Clinton has repeatedly advocated raising 45 billion dollars in taxes over four years by closing tax loopholes for foreign companies in the U.S.

During his election campaign, he argued that some foreign companies have failed to honor their tax obligations by reporting lower profits than they actually made.

Japanese automobile and electrical machinery makers operating in the U.S. admitted that their profits were at first included in the reports of the parent companies in Tokyo and were not reported to the U.S. tax authority until they have made full-fledged commitments to the market.

"But no longer. It is a false charge that we are still doing that to evade taxes," said an official of a major electrical maker.

Clinton has proposed beefing [up] the enforcement of the existing taxation system, such as stiffer scrutiny by the Internal Revenue Service.

But tax experts believe this alone cannot produce 45 billion dollars in extra taxes and some revision of the current laws are necessary.

'Top' Businessman Views Clinton

OW0511093792 Tokyo KYODO in English 0917 GMT 5 Nov 92

[Text] Sendai, Nov. 5 KYODO—Japan's top business baron Gaishi Hiraiwa said Thursday the next U.S. Administration led by Democrat Bill Clinton will take a harder line on bilateral trade issues.

Hiraiwa, head of the Federation of Economic Organizations (Keidanren), told a press conference in Sendai that Clinton will do anything he can to revive the ailing U.S. economy.

"And that means that his government will be rather demanding on such issues as bilateral imbalances in trade and investment," he said.

Hiraiwa, who visited Sendai to consult with business leaders in northeast Japan, also urged the Diet to quickly pass the government's supplementary budget, which includes massive outlays for public works aimed at giving a thrust to the economy.

"The current slump will further deepen if the passage of the supplementary budget is delayed," he said, in view of worries opposition parties will link approval of the budget to debate on a major money scandal shaking Japanese politics.

Asked about the state of the economy, Hiraiwa said it will take some time to see full recovery of its momentum.

"The economy is now creeping in a trough and this situation will not change for a while," he said, attributing the drawn-out slowdown partly to lingering concern over the country's banking sector, hit hard by the burst of the "bubble" economy.

Major Dailies on Clinton's Win

OW0511022992 Tokyo KYODO in English 0214 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Major Japanese dailies in their editorials Thursday described President-Elect Bill Clinton's victory as showing that the U.S. electorate does not fear change, and "a desire for a revival of American dynamism."

The ASAHI SHIMBUN said the U.S. presidential election result showed that the United States is "a young experimental nation which does not fear changes."

But the mass circulation daily also urged the incoming Democratic administration to take its time and be patient in promoting "human rights diplomacy" in the world. The ASAHI said it is the reality of the world that nations cannot be democratized all at once as the United States would prefer.

In this respect, the ASAHI called for Clinton to tackle "Third World" issues within the U.S. first, including ethnic problems.

The YOMIURI SHIMBUN, which has the largest circulation in Japan, said, "The election of the youngest president since John F. Kennedy reflects a desire by voters for a revival of American dynamism."

"Despite its preoccupation with domestic concerns, the U.S. must not neglect its diplomatic role in the post-cold war era with its many uncertainties," it said.

"It is believed Clinton will take a more severe position toward Japan as he goes about the task of restructuring the U.S. economy."

The YOMIURI stressed, "Adjustment in macroeconomic policies and strengthening of the GATT (General Agreement on Tariffs and Trade) system are essential, or the foundations of the world economy will collapse."

It called for more Japanese cooperation with the U.S. and stressed,"Our country must reduce its international balance of payments surplus and open wider its market to foreign products."

The MAINICHI SHIMBUN called the election result a "major historical event." The daily said Clinton's victory also signifies a generation change to post-World War II baby boomers.

Under a Clinton administration, the MAINICHI said, Japan will be forced to establish a new frame of U.S.-Japan ties both in the political and economic fields.

The leading economic daily NIHON KEIZAI SHIMBUN called on Clinton to show "a tenacious leadership and a spirit of cooperation, fixing his gaze on the new reality of the world."

It warned that unless the Clinton administration maintains the spirit of international cooperation, no country will follow the U.S. willingly.

As for the challenges of reviving U.S. economy, the NIHON KEIZAI said it depends on converting military industry to civilian production in the wake of the cold war.

The NIHON KEIZAI also stressed the importance of U.S.-Japan relations because the two countries' combined gross national product (GNP) accounts for some 40 percent of the world's GNP.

The economic daily calls for "establishing a system to handle economic frictions between the two nations with the rule of the game excluding sentiment."

Tanahashi: 1992 GATT Talks Conclusion Possible

OW0511083392 Tokyo KYODO in English 0821 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Japan's vice trade minister indicated Thursday he believes it is still possible that the long-stalled Uruguay Round of multilateral trade talks can be concluded by the end of this year.

Vice International Trade and Industry Minister Yuji Tanahashi said at a news conference, "I don't think (the talks) lost momentum because of Bill Clinton's win in the U.S. presidential election."

Tanahashi said the United States and the European Community (EC) "seemed to have had a very thorough and substantial discussion" in meetings in Chicago between U.S. Agriculture Secretary Edward Madigan and his EC counterpart Ray MacSharry.

"I expect, depending on the situation, the U.S.-EC farm talks will move forward," he said.

The Madigan-MacSharry meeting, seen as the last chance for a conclusion this year of the six-year-old round of talks under the General Agreement on Tariffs and Trade (GATT), ended Tuesday without an agreement.

ROK To Avoid Fishing Off Northern Territories

OW0511101292 Tokyo KYODO in English 0908 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—South Korea will not seek a fishing quota for waters off the Japanese-claimed northern territories in upcoming fishing negotiations with Russia, South Korean Government sources in Tokyo said Thursday.

This is in consideration of Japan's claims to the territories, comprising the islands of Shikotan, Kunashiri, Etorofu, and the Habomai group of islets, which were siezed by Soviet troops at the end of World War II.

South Korea and Russia are scheduled to hold negotiations in Vladivostok in the Russian far east late this month on 1993 fishing operations in Russia's 200-mile economic zone.

Earlier this year, a diplomatic dispute arose between Japan and South Korea after Russia granted South Korea a fish catch quota of 100,000 tons in the 200-mile zone, including waters off Sakhalin, the Kuril islands, and the Japanese-claimed territories.

South Korea has since agreed to refrain from fishing this year in the disputed waters, but working-level negotiations are continuing between South Korea and Japan on demarcation of the restricted area.

Prince Akishino, Princess Leave for Asian Tour

OW0511035292 Tokyo KYODO in English 0240 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Prince Akishino and his wife Princess Kiko on Thursday left Narita International Airport for Bangkok for a 20-day tour to Thailand, Pakistan, India, and Sri Lanka.

The prince, the younger son of Emperor Akihito, and princess were invited by the governments of Sri Lanka, Pakistan, and India, to mark the 40th anniversary of the establishment of bilateral diplomatic ties.

Thailand extended an invitation to Prince Akishino on the occasion of the 60th birthday of Queen Sirikit, officials of the Imperial Household Agency said.

The couple will arrive in Bangkok on Thursday for a one-night stopover. The prince and princess will start a visit to Sri Lanka Friday on their first leg of the four-nation tour.

Following their visit to Sri Lanka, Pakistan, and India, the couple will again visit Bangkok on November 20 for a five-day stay.

It is the first overseas trip for the couple since their marriage in 1990.

Princess Nori Leaves for Australia, New Zealand

OW0511143592 Tokyo KYODO in English 1308 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Princess Nori left for Australia on Thursday on a 17-day Oceania trip which will also take her to New Zealand.

The 23-year-old princess, the only daughter of Emperor Akihito and Empress Michiko, is scheduled to arrive in Cairns, northeastern Australia, on Friday.

She will go on sightseeing to the Great Barrier Reef and Tasmania during her stay.

The princess will arrive in New Zealand on October 16 before returning to Tokyo on November 21.

Nigerian Swindlers 'Targeting' Japanese Companies

OW0511100692 Tokyo KYODO in English 0911 GMT 5 Nov 92

[Text] Yokohama, Nov. 5 KYODO—Gangs of Nigerian swindlers are increasingly targeting Japanese firms, the Tokyo Metropolitan Police Department warned Thursday.

Police sources said these swindlers normally negotiate business contracts with foreign companies posing as Nigerian Government officials.

The gangs, whose activities center on Nigeria's biggest cities, like the capital Lagos and Benin, have been operating for over 10 years and during that time have cheated more than 100 trading and home construction companies mainly from the United States, Europe, and Hong Kong of both cash and goods.

But cases involving Japanese businesses have rapidly increased in the last three years, the police department said.

"It looks as if the gangs are now targeting Japanese companies," a spokesman for the Japan External Trade Organization (Jetro) said.

Up to the beginning of this year, about 30 swindled companies had reported their cases to Jetro and the Japan Chamber of Commerce and Industry but the actual number of victims is estimated to be up to 10 times higher, he said.

Earlier this year a Yokohama-based home construction company was offered a 1 billion dollar contract by a Nigerian pretending to be a Finance Ministry official.

The company accepted the deal but did not hear anything from its contractor after paying a 60,000 dollar commission fee in April.

In another case, a Kobe-based trading company was contacted by facsimile and asked if it would accept 20 million dollars placed in its Japanese bank accounts.

The applicant offered a 30 percent gratuity but asked the company first to pay a certain amount of guarantee money, which made the firm report the case to the police.

Police said that as the gangs operate abroad it has no real insight into their organization and structure, and cannot do much about prosecuting them.

Miyazawa Vows To Exert More Leadership

OW0511080092 Tokyo KYODO in English 0657 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Japanese Prime Minister Kiichi Miyazawa, in an apparent reaction to public disapproval of his political management, vowed Thursday [5 November] to come on stronger and exert more leadership in his second year in office.

Speaking to reporters in the Diet building on the first anniversary of his government, Miyazawa likened his job as Japanese premier to "a captain of a supertanker," whose everyday tasks generate no credit even if carried out smoothly.

"If you say it's better I get out of a cabin and show my face occasionally, I will try to do so," Miyazawa said.

Some 73 percent of Japanese disapprove of Miyazawa's political stance and achievements in his first year in office, according to a poll released Wednesday by the national daily YOMIURI SHIMBUN.

He also spoke of the significance of the United Nations peace cooperation law, which won Diet approval in June and opened the way for the dispatch of Self-Defense Forces personnel to Cambodia to participate in U.N. peacekeeping activities.

"It was good for us to go to Cambodia to help (U.N. peacekeepers) after the enactment of the U.N. Peace Cooperation Law," Miyazawa said.

On the subject of political reform, the premier renewed his pledge to do his utmost, saying, "the people of Japan feel most impatient. I will do my best."

To 'Fully Cooperate' With Diet

OW0511131392 Tokyo KYODO in English 1222 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Prime Minister Kiichi Miyazawa expressed determination Thursday to carry out political reforms to win back public trust in politics.

"There is an unprecedented distrust for politics among the public," Miyazawa told a plenary session of the House of Representatives in the extraordinary Diet session, which convened October 30.

The prime minister made the statement amid sharp public criticism of a major money scandal involving Tokyo Sagawa Kyubin Co., a now-defunct trucking company, and key political figures.

He said the government will "fully cooperate" with the Diet if it should form an organization to probe the Sagawa Kyubin scandal as well as allegations that former Prime Minister Noboru Takeshita's rise to premiership in 1987 was linked to a gangster deal.

Miyazawa, however, avoided commenting on the alleged donation of money by some Liberal Democratic Party (LDP) members to a right wing group, Kominto, to silence its harassment campaign against Takeshita, who was then seeking the party presidency.

Prosecutors read a statement on the scandal in a Tokyo District Court trial Thursday after querying members of the right wing group who tried to block Takeshita's party presidential bid.

Secretaries of the LDP's retired kingmaker Shin Kanemaru and Yoshiro Mori, head of the party's policy affairs research council, allegedly proposed donations of 3 billion yen and 2 billion yen, respectively, to quell protest by the group, prosecutors said in the statement.

In the lower house, Miyazawa responded to Yasuo Yamashita of the Social Democratic Party (SDP), Japanese Communist Party (JCP) Presidium Chairman Tetsuzo Fuwa and Democratic Socialist Party (DSP) Chairman Keigo Ouchi.

Miyazawa earlier responded to questions from Wataru Kubo of the SDP and Shinichiro Shimojo of the LDP in the House of Councillors.

In the upper house session, Miyazawa vowed to make efforts to eliminate damage caused by faction politics within the ruling party.

"It is a problem if faction (feuds) damage fair operation of the whole party," he said, adding he would make an effort to solve the problem.

Miyazawa brushed aside suggestions that the summary procedure followed by prosecutors on Kanemaru's involvement in the Sagawa Kyubin scandal contradicts equality under the law, saying prosecutors had fulfilled their duty "appropriately."

Kanemaru, former vice president of the LDP, resigned from the House of Representatives on October 21 after paying a 200,000 yen fine under a summary procedure, which enabled him to avoid a trial or questioning for his acceptance of 500 million yen in illegal donations from Sagawa Kyubin.

Commenting on Arkansas Gov. Bill Clinton's victory over President George Bush in the U.S. presidential election, Miyazawa said Clinton's victory would not bring any major change in U.S. policy toward Japan.

Pointing out, however, that Clinton's economic policy toward Japan is still unclear and that Japan would be closely watching his governmental appointments, he expressed hope that he would promote free trade and take a "firm stance" against protectionist moves.

In reference to his upcoming informal summit meeting with South Korean president No Tae-u, Miyazawa said he hopes to exchange "frank" views on bilateral and international affairs.

No will pay a one-day visit to Japan on November 8 to hold talks with Miyazawa in Kyoto without the fanfare and ceremony that usually accompany top-level meetings.

On China, Miyazawa said Japan hopes peace and stability in Asia and the Pacific regions will be maintained throughout China's process of economic reform.

He said China could not promote its economic reform and liberalization programs without peace and stability in the regions.

Dietmen 'Moved To Silence' Takeshita Harassment

OW0511100592 Tokyo KYODO in English 0824 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Some senior ruling party members allegedly moved to silence a right-wing group's harassment campaign in 1987 against former Prime Minister Noboru Takeshita and some offered huge amounts of money in their bids, prosecutors said Thursday.

The prosecutors alleged former Liberal Democratic Party (LDP) Secretary General Keizo Obuchi and Seiroku Kajiyama, chairman of the party's Diet Affairs Committee, and another LDP legislator contacted the group Kominto (Emperor's Subjects Party) via a third person.

A statement by Kominto members revealed at a Tokyo District Court trial said four LDP lawmakers, including Yoshiro Mori, chairman of the LDP Policy Affairs Research Council, and Koichi Hamada, directly asked Kominto to stop their campaign against Takeshita who was then seeking the party presidency.

A proxy of disgraced kingpin Shin Kanemaru offered 3 billion yen and Mori offered 2 billion yen to the group in exchange for ending the campaign, according to LDP officials in a separate statement.

Obuchi, Kajiyama, Mori, Hamada and Takeshita denied the allegations.

Takeshita, who successfully won the LDP post and thus the premiership five years ago, has been under fire for his alleged ties with mobsters in stopping Kominto's street campaign using loudspeaker vans to blare abuse.

To help install the Takeshita cabinet, Kanemaru allegedly contacted Susumu Ishii, the late leader of the Inagawa-Kai crime syndicate, to stop the harassment campaign through the help of Hiroyasu Watanabe, former president of the scandal-ridden Tokyo Sagawa Kyubin Co.

Prosecutors also disclosed that Watanabe, on trial on a charge of aggravated breach of trust, contacted Kanemaru, Takeshita, and Posts and Telecommunications Minister Hideo Watanabe through Rekiji Kobari, chairman of the Fukushima Kotsu Co. Bus Company, to gain assistance from banks for the now-defunct Tokyo Sagawa Kyubin.

Also on Thursday, a ranking member of the LDP faction led by Prime Minister Kiichi Miyazawa noted the need to have Kanemaru and Takeshita appear in the Diet as sworn witnesses so as not to carry the Sagawa scandal over to the next Diet session.

Kanemaru resigned from the House of Representatives in October after being fined 200,000 yen without a trial or questioning for his receipt of an illicit 500 million yen political donation from Watanabe in 1990.

However, the opposition is demanding Kanemaru and Takeshita be summoned to the Diet to testify on the flow of cash and alleged ties with gangsters.

During a House of Representatives plenary session, Yasuo Yamashita of the leading opposition Social Democratic Party asked Miyazawa about the revelations of LDP members' alleged involvement in stopping Kominto's anti-Takeshita campaign.

But the prime minister only noted the importance of getting to the heart of the scandal to wipe away public suspicion over "what caused public distrust of politics."

He said the government will do its utmost to cooperate with Diet deliberations.

LDP's Largest Faction Meets Minus Ozawa Group

OW0511100492 Tokyo KYODO in English 0905 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—The largest faction within the ruling Liberal Democratic Party (LDP) endorsed its new leadership lineup at a general meeting Thursday boycotted by 36 faction members loyal to potential breakaway leader Ichiro Ozawa.

A senior pro-Ozawa faction member said the group decided to skip the general meeting, the first since Keizo Obuchi was appointed chairman of the faction October 22 succeeding the disgraced Shin Kanemaru, so as not to cause unnecessary intra-faction disarray.

With the absence of the 36, all members of the House of Representatives, the general meeting of the faction drew 25 other lower house members and 34 from the House of Councillors.

A power struggle in the faction, founded by former Prime Minister Noboru Takeshita and formally called Keisei-Kai, erupted following Kanemaru's resignation from the Diet last month to take responsibility for receipt of an illicit 500 million yen political donation.

After twists and turns, former LDP Secretary General Obuchi assumed the leadership of the 109-member faction, though the group backing Kanemaru's right-hand man Ozawa refused to accept the appointment.

At Thursday's general meeting, Obuchi appealed for faction unity, saying, "The collapse of Keisei-Kai, which has wielded the biggest influence among the LDP factions, will lead to political chaos."

The leadership, excluding the pro-Ozawa group, comprises three vice chairmen—former Finance Minister Ryutaro Hashimoto, former Construction Minister Hideo Utsumi and former Home Affairs Minister Shigenobu Sakano.

Earlier Thursday, Obuchi asked LDP Secretary General Tamisuke Watanuki to urge the Ozawa group to recognize his appointment as faction leader, party officials said.

Watanuki reportedly replied he will decide whether to host a meeting between Obuchi and Finance Minister Tsutomu Hata, who vied against Obuchi for the leadership and then inaugurated a policy study group last week of Ozawa loyalists.

The formation of the study group, Reform Forum 21, is widely seen as a step toward forming a separate faction, political analysts said.

Nagano Urges Miyazawa To Reduce Income Tax

OW0411173592 Tokyo KYODO in English 1233 GMT 4 Nov 92

[Text] Tokyo, Nov. 4 KYODO—The head of the Japan Federation of Employers Associations (Nikkeiren) asked Prime Minister Kiichi Miyazawa on Wednesday to carry out a 2 trillion yen income tax reduction as soon as possible.

Takeshi Nagano, chairman of the federation, delivered a letter to Miyazawa urging him to slash income tax with the aim of stimulating consumer spending.

The letter also said the economy's development is still uncertain despite the government largest-ever package of pump-priming measures released in August.

Nagano told reporters income tax reduction is highly needed as corporations have lost competitiveness because of the collapse of the so-called "bubble economy."

"I want to request Miyazawa, who is also an economic expert, to carry out more effective measures to boost the economy," he said.

Miyazawa Rules Out Issuing Short-Term Bonds

OW0511094392 Tokyo KYODO in English 0836 GMT 5 Nov 92

[Text] Tokyo Nov. 5 KYODO—Prime Minister Kiichi Miyazawa ruled out Thursday the possibility of issuing short-term bonds as a way to finance a cut in income taxes.

Answering questions in the House of Councillors about government policy, Miyazawa said such bonds should not be floated without prospects for revenue sources to redeem them in the future.

"I don't believe Japan is in a position where it can consider raising taxes in the future. In such a case, can we secure revenue sources to redeem such bonds?" Miyazawa said.

Unlike general government bonds that must be redeemed in 60 years, short-term bonds have to be redeemed in five to 10 years.

Some ruling party lawmakers are proposing the issuance of short-term bonds to cover a revenue shortage that would emerge following an income tax cut.

Stock Market 'Strong Wait-and-See Mood' Noted

OW0511013792 Tokyo KYODO in English 0043 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Tokyo stocks opened lower Thursday on small-lot index-linked selling and unwinding arbitrage selling in thin trading.

A strong wait-and-see mood is dominant as the market sees few incentives to trade on, traders said.

The 225-issue Nikkei stock average fell 160.18 points to 16,905.02 in the first 15 minutes of trading.

The first-section composite Tokyo Stock Price Index (Topix) gave up 9.48 points to 1,284.37.

Second-section prices were slightly higher.

Despite persistent hopes for higher U.S. interest rates ahead, the dollar edged lower against the yen as the market saw no substantial incentives after the widely expected victory of Bill Clinton in the U.S. presidential race

Participants will closely follow Clinton's fiscal policy and selection of his administration staff, a dealer at a long-term credit bank said.

But they will be generally inactive in the near term, awaiting the October U.S. job data due out Friday, he said.

Miyazawa Says Land Prices Should Fall Further

OW0511044892 Tokyo KYODO in English 0430 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—Japan's land prices are still too high, and there is room for them to fall further, Prime Minister Kiichi Miyazawa said Thursday.

He denied the view being expressed in the real estate industry that the land prices have hit bottom.

Miyazawa, who made the comment at a plenary session of the House of Councillors, also said he will push for the land value tax to be raised to 0.3 percent per annum next January from the current 0.2 percent.

The tax was introduced in April this year as a way to bring down land prices. The real estate industry has opposed any increase in the tax, saying that land prices have stabilized.

IAEA Mission To Make Regular Safety Checks

OW0511101892 Tokyo KYODO in English 0922 GMT 5 Nov 92

[Text] Tokyo, Nov. 5 KYODO—The Agency of Natural Resources and Energy will regularly invite a mission from the International Atomic Energy Agency (IAEA) to assess safety of nuclear power stations in Japan, agency officials said Thursday.

The plan is aimed at easing concern of some groups over the safety of the reactors, said the officials of the agency, an arm of the Ministry of International Trade and Industry. The agency also hopes to lessen resistance of some communities in allowing nuclear power plants in their area, the officials added.

The agency plans to make public the results of the study in cooperation with electric power companies, they said.

Upon request, the IAEA sends teams to study operation control conditions of nuclear power stations of member nations, and so far has sent 47 teams to 25 countries, they said.

The agency intends to invite one IAEA team each year from fiscal 1993 and will select a reactor for the study through coordination with the electric power industry, they said.

The inspection team, consisting of some 15 IAEA officials and engineers of overseas electric power firms, will study a wide range of areas, including instruction and training, operating conditions, and emergency programs, they said. The study will take place over a couple of weeks, they said.

An agency official said the IAEA study could help point out undetected areas that need improvement.

North Korea

Trade Union Delegation Leaves for China 4 Nov

SK0411050992 Pyongyang KCNA in English 0444 GMT 4 Nov 92

[Text] Pyongyang November 3 (KCNA)—A delegation of Korean trade union labour innovators headed by Choe Tok-sun, chairman of the Central Committee of the Korean trade union of construction and forestry workers, left here today for a visit to China.

A delegation of joint venture economic delegation of the General Association of Korean Residents in Japan (Chongnyon) headed by Vice-chairman of its Central Standing Committee Chon Yon-sik and a delegation of Tokyo metropolitan young traders and industrialists of Chongnyon arrived here today for a visit to the socialist homeland.

America-resident Korean compatriot Son Won-tae and his party arrived here Tuesday.

A home-visiting group of Chongnyon officials, a sports team of Korean students in Japan and the 184th short-term home-visiting group of Koreans in Japan arrived in Pyongyang Monday for a visit to the socialist homeland.

Syrian President Meets DPRK Military Delegates

SK0511045592 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 4 Nov 92

[Text] Hafiz al-Asad, president of Syria, on 4 November received Comrade Choe Kwang, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and chief of the general staff of the Korean People's Army who is leading the DPRK military delegation.

Chief of the general staff of the Syrian Arab Army was present at the meeting. At the talks, head of the delegation conveyed the greetings of the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il to President Hafiz al-Asad.

The president expressed deep thanks for this, and asked the delegation head to convey his warm greetings to the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il.

The president pointed out that the friendly relations between Syria and the DPRK are an indomitable friendship capable of overcoming any outside pressure. He said he hopes that friendship, unity and cooperation between the two armies of Syria and the DPRK will be continuously strengthened and developed.

CPRF Denounces Planned U.S.-ROK Exercises

SK0211123192 Pyongyang KCNA in English 1019 GMT 2 Nov 92

[Text] Pyongyang November 2 (KCNA)—The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] Sunday issued information No. 614 denouncing the unceasing military exercises of the United States and the South Korean authorities.

According to a report, the U.S. Defense Department and the South Korean "Defence Ministry" officially announced that they will stage "Eagle-92" joint war exercises against the North with the mobilization of 750,000 men of the South Korean puppet army, 37,000 U.S. troops present in South Korea and 1,500 U.S. troops overseas all over South Korea from November 3 to 9.

In another development, the South Korean Defence Ministry announced that it will stage an "anti-spy" exercise codenamed "Hwarang" from November 2 to 7.

The CPRF secretariat in its information says that the U.S. imperialists and the South Korean rulers decided to stage a large-scale joint military exercise this time after taking a step to resume the "Team Spirit" nuclear war exercise some time ago. This is a premeditated provocation to bring all North-South dialogues to a rupture and ignite a new war in Korea at any cost.

The United States and the South Korean authorities should revoke the step to resume the "Team Spirit" joint military exercise and give up the "Eagle-92" and "Hwarang" exercises.

If they dare stage war exercises for aggression, they will be held fully responsible for all the consequences arising therefrom, warns the information.

Koreans in Japan Urge Cancelling Team Spirit

SK0211003492 Pyongyang KCNA in English 1004 GMT 1 Nov 92

[Text] Pyongyang November 1 (KCNA)—The South Korean authorities must unconditionally revoke their agreement with the United States to resume the "Team Spirit" joint military exercises, stop the anti-DPRK smear campaign and discontinue their fascist repression of the South Korean people, said the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) in a statement published on October 30 in support of the resolution adopted at a joint meeting of the government, political parties and organisations of the DPRK.

The statement reads:

The U.S. and the South Korean authorities agreed to resume the "Team Spirit" joint military exercises, shelve the "second-phase reduction program" of the U.S. forces present in South Korea and deploy the "rapid deployment and deterrent combat power" in South Korea. This is an unpardonable criminal act to bring the situation in Korea back to the original point of the confrontation era, break up all the North-South dialogues and block the implementation of the North-South agreements adopted already.

Persistently evading an inspection to verify the withdrawal or presence of U.S. nuclear weapons in South Korea, the U.S. and the South Korean authorities declare that they will resume the "Team Spirit" war game under the pretext of the "nuclear problem" of the DPRK. This is, indeed, a shameless robber-like argument.

Chongnyon and Koreans in Japan can never remain an onlooker to the plots of the U.S. and the South Korean authorities leading the situation to the brink of war, the statement says, and declares: We will turn out as one man in the struggle to check the resumption of the "Team Spirit" war game and achieve the reunification in the 90s.

The statement expresses the hope that the compatriots under the "ROK Residents Association in Japan" (Mindan) will join in this struggle of Koreans in Japan and broad strata of people, political parties and public organisations of Japan that love peace will oppose the resumption of the "Team Spirit" and extend stronger support to the reunification of Korea.

Article Criticizes U.S.-ROK Military Exercises

SK0411121492 Pyongyang KCNA in English 1013 GMT 4 Nov 92

["Decision To Resume "Team Spirit" is Declaration of Allout Confrontation"—KCNA headline]

[Text] Pyongyang November 4 (KCNA)—The United States and the South Korean authorities not only decided to resume the "Team Spirit" joint military exercises but started "'92 Eagle" joint war game. This is as good as openly declaring to the world that they are taking the road of increasing tensions and frustrating dialogues in breach of the inter-Korean agreements.

So says NODONG SINMUN in a by-lined article today.

Although the United States and the South Korean authorities press home the necessity of military exercises with outcries over the "suspicion of nuclear development" by the North, it is a shameless sophism meant to mislead public opinion at home and abroad, the paper remarks.

It is not because there is some problem with us, but it is to gratify their sinister aim that they are raising a hue and cry over our "nuclear problem," the article says, and goes on: It is a product of their criminal attempt to bring the situation on the Korean peninsula to the worst phase of strain and maintain the U.S. forces and nuclear weapons in South Korea on that pretext and realize their ambition for northward invasion through a surprise nuclear war.

Branding the United States and the South Korean authorities as the very ones who are keying up tensions on the Korean peninsula, as the wrecker of dialogue, as the criminals who seek national division, the article urges the immediate revocation of the decision to resume the "Team Spirit."

South 'Responsible' for Failure To Open Talks

SK0511065992 Pyongyang KCNA in English 0546 GMT 5 Nov 92

["Responsibility Rests With South Side"—KCNA headline]

[Text] Pyongyang November 5 (KCNA)—The first meeting of the North-South joint reconciliation committee which had been slated at Panmunjom for November 5 and the first meetings of other joint committees which had been to open at weekly intervals after that are unable to be held because the South Korean authorities took an anti-dialogue stand, declares a NODONG SINMUN commentary today.

The analyst says:

As clear to anyone, war exercises are incompatible with dialogue. Taking into consideration the grave consequence that would be brought to the situation on the Korean peninsula and North-South dialogue by resumption of the "Team Spirit" joint military exercises, we had demanded time and again that the United States and the South Korean authorities withdraw the plan unconditionally. The DPRK Government, political parties and organisations held a joint meeting in Pyongyang and made it clear that all the dialogues and contacts between the authorities of the North and the South could not but be suspended, if the South Korean authorities staged the war game, defying our repeated advice.

The South Korean authorities, however, far from withdrawing the plan of the "Team Spirit" nuclear war game, launched even the "Hwarang" and "Eagle 92" manoeuvres. These war gambles are attack exercises against the North and a test nuclear war to deliberately increase the tensions in the country and provoke a nuclear war any moment.

We set store by dialogue but do not have the least intention to discuss the crucial matters of the nation with the provocateurs who are firing bullets and shells at the dialogue partner, in league with foreign forces.

The South Korean authorities must be held responsible for the failure to open North-South joint committees.

If they have an iota of the will to treasure dialogue and respect the North-South agreement, they must stop the "Eagle" and "Hwarang" war games and revoke the decision to resume the "Team Spirit" nuclear war exercises, before it is too late.

South's Kim Yong-sam Called 'Two-Bit Shyster'

SK0511113692 Pyongyang KCNA in English 1038 GMT 5 Nov 92

["Kim Yong-sam's Jargon Under Fire in NODONG SINMUN"—KCNA headline]

[Text] Pyongyang November 5 (KCNA)—Kim Yong-sam, "president of the Democratic Liberal Party" (DLP) of South Korea, said a few days ago that the "National Security Law," an anti-communist fascist law, must not be scrapped or revised. He also broached again the false "case of the Workers' Party of Korea in South Korea", calling for heightened "alertness against communism and the North" with outcries over "infiltration of spies from the North."

This is the topic of a NODONG SINMUN commentary today, which says:

This shows that Kim Yong-sam is going to follow the footsteps of the present ruler in inciting confrontation between the fellow countrymen and aggravating North-South relations by taking issue with the North.

"Communization of the South" and "spy infiltration from the North" clamored about by the bosses of the "DLP" and the "Sixth Republic regime" are a sheer lie they invented to save the unstable political situation created in South Korea.

Kim Yong-sam described the South Korean people's struggle for independence, democracy and reunification as one manipulated by North's "spies operating in the South." This is a ridiculous talk, a mere repetition of what the present military fascist "regime" says.

What on earth could one expect from Kim Yong-sam, a two-bit shyster who betrayed the people to share the fate with dictatorship and won "presidential candidacy" in reward for his treachery and renegation?

Kim is now letting out a string of balderdash in a bid to give himself a boost with the "presidential elections" around the corner. But it is only revealing his despicable color as an anti-national, anti-popular element.

ROK Assemblymen Protest Prime Minister's Remarks

SK0411132792 Pyongyang KCNA in English 1053 GMT 4 Nov 92

[Text] Pyongyang November 4 (KCNA)—"Assemblymen" from the opposition Democratic Party who attended the meeting of the special budget committee of the "National Assembly" on November 2 expressed indignation at the utterances of the "prime minister" at a press conference that day that it appeared to be true that not a few politicians had contacted with the "spyring" and denounced his remarks aimed at dealing a blow to the opposition parties and their candidates by creating another "political situation requiring public security" before the "presidential elections", according to a report from Seoul.

And they strongly demanded an apology for the provocative utterances.

Much upset, "prime minister" Hyon Sung-chong hurried out of the meeting hall after mumbling that the daily misreported his words and he apologized for it.

The opposition "assemblymen", however, demanded that the "prime minister" reappear on the rostrum and give a clear account of his utterances. As a result, the meeting broke up.

South's Election 'Neutrality' Questioned

SK3110113092 Pyongyang KCNA in English 1022 GMT 31 Oct 92

["Does 'Neutrality' Doctrine Become Fascist Regime?"—KCNA headline]

[Text] Pyongyang October 31 (KCNA)—NODONG SINMUN today comments on the "neutrality" doctrine advertised by the South Korean ruling quarters with the approach of the "presidential elections".

As long as the present colonial military fascist system and the repressive machines and fascist laws for maintaining it are left intact, "elections" in South Korea cannot be fair ones even though the South Korean ruler withdrew from the ruling party and expressed his willingness to stand neutral and the repressive machines declared "neutrality", the analyst says and goes on:

Though "elections" have taken place in South Korea like annual functions and the ruling circles have been loud-mouthed about "fair elections", they all have been power-backed fraud elections and political dramas for disguising the seizure of power by the pro-U.S. military fascists as "democracy".

Forming a "neutral cabinet" to "supervise fair elections", No Tae-u placed the "chief of presidential security", one of his hand-raised servants, at the post of the "director of the Security Planning Board" [SPB] which is called "the true government behind the government" and replaced the "minister of justice" and the "minister of interior" with pro-dictatorship elements who had had a share in propping up the military fascist "regime", hanging about the power. It is inconceivable that such persons will keep neutrality in the "supervision of elections".

The present ruler and bosses of the "Democratic Liberal Party" are persistently objecting to "elections of chiefs of local autonomous bodies" within the year demanded by the opposition camp, apparently for the purpose of winning "elections" and producing another military fascist "regime" by using again their servants planted in local administrative units in power-backed elections.

No sooner had the "SPB" made public in the latter half of September an "important decision to play the role of political coordination", that is a "declaration on neutrality", than it started interfering in "elections", going back on it.

It is absolutely beyond doubt that the police and prosecution condemned by the people as a "fascist club" for defending power will totally suppress the opposition forces on the eve of the "elections" by invoking the "laws" favourable only to the dictatorial forces.

What also matters is the puppet army which is considered to be the last strongpoint for the South Korean military fascist "regime". Each time "elections" took place, the puppet army soldiers were forced to cast votes for the ruling party, which is their discipline. Therefore, the absentees' votes of the puppet army have been monopolized by the military fascist forces.

The "withdrawal from the party" and "neutrality" advertised by the present ruling forces are just a trick of the fascist military group to remain in power with not much alteration in the ruling machine, pretending to meet the demand of the masses and fooling them again.

Significance of Work on Party Building Analyzed

SK0511103392 Pyongyang KCNA in English 1001 GMT 5 Nov 92

["Great Encyclopaedia of Revolutionary Party Building of Our Times"—KCNA headline]

[Text] Pyongyang November 5 (KCNA)—NODONG SINMUN today carries an editorial headlined "Great Encyclopaedia of Revolutionary Party Building of Our Times".

The editorial gives an analysis of the theoretical and practical significance of "On the Fundamental Questions of Revolutionary Party Building", a work of the dear leader Comrade Kim Chong-il, and calls for thoroughly implementing the idea and theory contained in the work.

It quotes the dear leader Comrade Kim Chong-il as saying:

"It can be said that the history of the struggle for socialism is the history of building the working-class party and of its activities. The whole course of the struggle, accompanied with bloodshed, of the working class and other working masses for socialism shows that the key to victory lies in party building and party activities and that the failure is also attributable to mistakes in party building and party activities."

The editorial says:

The work, on the basis of a comprehensive sum-up of experience and lessons in the building of the party which plays a decisive role in accomplishing the cause of socialism, clearly indicates the way of consistently strengthening the party and enhancing its leading role.

Thus it serves as a militant banner which makes it possible to decisively smash the moves of all class enemies to undermine the revolutionary party of the working class and firmly safeguard the cause of socialism, and as an inspiring banner giving great confidence and courage to the revolutionaries and peoples who struggle for the rebuilding of socialism.

The theoretical and practical significance of the work lies, above all, in that it clearly indicates a scientific way of building a strong revolutionary party not wavering in any circumstances, by clarifying the historical lessons of building the ruling party under socialism.

The work says that the collapse of the ruling parties in socialist countries in the recent period was caused by the failure to steadily consolidate their organizational and ideological foundation and their mass foundation and by the abandonment of revolutionary principle of building the working-class party and failure to establish chuche.

The work is also a great encyclopaedia of party building which makes it possible to constantly consolidate and develop our party on the basis of the fundamental principle of building a chuche-oriented revolutionary party, the editorial stresses, and goes on:

The work elucidates in an allround way such fundamental questions of building a revolutionary party as developing the party into a mass party of the working people, firmly establishing the singleness of ideology and leadership within the party, strengthening the party's unity and cohesion, putting stress on idea in party building and guaranteeing the political leadership over the whole society, and proves in depth the validity and originality of the policies maintained by our party for their solution.

It is also a great inspiring banner which helps strengthen internationalist unity and solidarity among the revolutionary parties and opens a bright vista of building an independent, new world.

The work clearly indicates the significance and importance of the Pyongyang declaration in strengthening internationalist unity and solidarity among the revolutionary parties and advancing the cause of socialism. And it comprehensively elucidates principled positions which should be maintained in achieving a durable international unity among the revolutionary parties, and the common tasks of struggle, says the editorial.

It calls for further strengthening our party and accomplishing our cause of socialism by thoroughly implementing the idea and theory put forward in the work.

South Korea

Further Government, Media Reaction to Clinton Win

Defense Minister Sees No Change

SK0511112992 Seoul YONHAP in English 1109 GMT 5 Nov 92

[Text] Seoul, Nov. 5 (YONHAP)—Defense Minister Choe Sae-chang observed Thursday there would be no fundamental change in the existing Korea-U.S. security cooperative system under the Clinton administration.

Testifying at the National Assembly Budget-Settlement Committee, Minister Choe said, however, that the Clinton administration's expected pursuit of an arms reduction is likely to have some impact on the U.S. Forces in Korea.

Choe said he believes there would be no basic change in view of the fact that Clinton's campaign pledges included the continued presence of American forces in Korea so long as military threats from North Korea continue and thwarting of nuclear arms development by North Korea.

He said that it would be unavoidable for Korea to share the cost of the U.S. military presence in Korea as long as threats to security persist on the Korean peninsula.

Also at the Budget-Settlement Committee, Finance Minister Yi Yong-man said Clinton's trade policy is likely to differ from Bush's policy based on the concept of a "small government."

President-elect Clinton, while calling for free trade, is advocating an expanded government role in favor of a strong export drive, rigid retaliation against unfair trade dealings by other countries and the resolution of economic resolution, Yi said.

Focus on Minimizing Trade Friction

SK0511085992 Seoul YONHAP in English 0724 GMT 5 Nov 92

[Text] Seoul, Nov. 5 (YONHAP)—Korea will focus its diplomatic efforts for some time on minimizing trade friction with the United States as the new administration is expected to put more emphasis on the economy than on military matters at first, a source said Thursday.

A group of ranking officials from the foreign, trade and industry, and other ministries will be sent to the United States soon to contact the Clinton camp to adjust pending trade issues, the source predicted.

The government would warn Korean companies advancing into the United States to prepare for stricter tax auditing by the new government, he said.

"I expect the U.S. side to broach defense burden-sharing with the Korean Government as President-elect Bill Clinton pledged to cut 110 billion U.S. dollars of military spending by 1997 during the stumping," the source said.

"But the issue is unlikely to emerge as urgent to be tackled by the Clinton Administration because he is sure to push for pump-priming policies for the slumping U.S. economy for a considerable time after taking office," he said.

The source, who didn't give his name, said that the Clinton government would impose strong punitive steps against countries engaging in "unfair" trade practices so that export-oriented Korea needed to seek countermeasures to the power shift.

In a related development, Deputy Premier Choe Kak-kyu told the National Assembly Thursday that Clinton, despite his protectionism-oriented campaign pledges, was distancing himself from hawkish protectionists inside the [U.S.] Democratic Party.

"The government is scrutinizing the economic and trade policies proposed by Clinton," Choe said. "Clinton's economic policy is aimed at globalism and his protectionist policy isn't new at all compared with the Bush administration's."

Choe, who is also economic planning minister, said he expected Clinton to strengthen pollution controls because he showed a deeper interest in the environmental problems than any other president.

On Korea-U.S. trade friction, the deputy premier said that the government would try its best to seek the understanding of the new administration by explaining the state of the Korean economy and the plans for phased market opening.

He said Korea would deal actively with issues related to financial market opening and intellectual property protection as part of efforts to sharpen international competitive power and pull the nation's economy up above the advanced countries.

'Ways To Actively Cooperate' Studied

SK0511083392 Seoul YONHAP in English 0659 GMT 5 Nov 92

[Text] Seoul, Nov. 5 (YONHAP)—The South Korean Government has decided to abide by existing agreements with the United States in a bid to sustain smooth economic relations with the next administration.

It has also decided to handle some pending issues, including the opening of the Korean financial market and protection of intellectual property rights, in a forward-looking manner.

In addition, the government will soon finalize a three-phase project for liberalization and internationalization in financial areas and work out measures to cope with a possible resuscitation of Article 301 of the omnibus U.S. Trade Act and a strengthening of ecological protection regulations.

The government will make plans to spur exports to America as the new U.S. Administration is certain to boost the economy to get it back on track.

The decisions came Thursday in a meeting of officials from the trade and industry, foreign and finance ministries at which the participants discussed prospects for economic relations between Korea and the United States in the aftermath of the U.S. presidential election.

While agreeing to maintain economic cooperative relations between the two countries, they also agreed to keep a watchful eye on the new U.S. economic management team, the fields on which it puts top priority and the process of making policies for external economic and trade relations.

As part of helping smooth out bilateral economic ties, they decided to observe the President's Economic Initiative (PEI) and proceed with the opening of the Korean market as scheduled.

Korea will seek ways to actively cooperate with the United States in investment and technological transfers.

With regard to major pending issues such as liberalization of the financial market and intellectual property rights protection, the Korean Government will deal with them in the perspective of internationalization and advancement of the Korean economy. It will fulfill the three-phase plan for liberalization of the financial market.

The government will work out new publicity strategies for Congress, the White House, academics, businesses and media in preparation for an expected rise in protectionist sentiments in the United States.

The government will try to strengthen its contacts with the administration and congressional leaders through non-governmental diplomatic efforts and by using lawmakers.

Businesses will be advised to improve production technology and quality as part of an effort to meet stiffer regulations and laws on environmental protection.

To meet increased tax inspections and possible U.S. Government attempts to raise taxes, the Korean Government will encourage Korean businesses in the United States to explain to the Internal Revenue Service about their business performances prior to inquiries.

The participants shared the view that Korea would have more chances to expand economic ties, if the new administration tries to boost the U.S. economy.

They feared, however, more dumping rulings on major Korean products if the two countries fail to solve pending issues.

Some participants predicted that economic cooperative ties between Seoul and Washington would not face a big change in the immediate future because the new U.S. Administration would first turn to Japan and China, which have enormous trade surpluses with America.

Trade will remain balanced and working-level government officials are expected to retain their jobs despite the election victory of Bill Clinton, they noted.

Ambassador To Be Liaison With Clinton Team

SK0511051092 Seoul YONHAP in English 0448 GMT 5 Nov 92

[Text] Seoul, Nov. 5 (OANA-YONHAP)—South Korea will have to use its embassy as a base for contacting President-elect Bill Clinton's team since government officials are unable to leave home for long periods before the Korean presidential election next month, officials here said Thursday.

Dispatch of a government delegation is under consideration, but the timing is rather odd because of the domestic situation, according to the officials. Some lawmakers have expressed their intention to go to Washington, and they have been discouraged to prevent confusion.

Seoul is instead to rely on American lobbyists and have Ambassador Hyon Hong-chu personally link up with Clinton's aides, the officials said.

"The government has been keeping up contacts with Democrat congressmen but they were limited to informal meetings. Now that the election is over, Amb. Hyon will personally be making the contacts," a Foreign Ministry official said.

The main targets will be Clinton's chief policymakers, notably those under consideration for secretary of state, secretary of defense, U.S. trade representative [USTR] and presidential adviser for foreign policy.

Although it will be some time before Clinton puts together his transition team, officials here have prepared a list of candidates.

The list includes Warren Christopher, undersecretary of state in the Carter administration, and Rep. Lee Hamilton for secretary of state.

Other targets are Sen. Sam Nunn, Sen. Les Aspin and former Congressman Stephen Solarz, who are candidates for secretary of defense.

USTR candidates include Derek Shearer, a professor at Occidental College, and Paula Stern, a former head of the International Trade Commission.

'Adverse Impact' on Industries Feared

SK0511055592 Seoul THE KOREA TIMES in English 5 Nov 92 p 9

[By staff reporter Kim Chang-yong]

[Text] Though anticipated earlier, the victory of Democratic contender Bill Clinton in the U.S. presidential election came as an immediate shock yesterday to Korean business quarters long accustomed to Republican government policies and given little chance to get along with the Democrats.

Some optimists viewed that Korea will not be a direct target of the American administration's trade sticks as it has suffered deficits in trade with the United States for a couple of years.

But analysts generally said that Clinton, a strong advocate of a "coordinated trade policy" to help the competitiveness of U.S. industries, if not a protectionist, will pursue somewhat more aggressive market opening initiatives and more restrictive measures against Korean exports than his predecessors.

"His trade policy will further combine with his desire to attain fair treatment for U.S. firms abroad and his need to respond to concerns of the Democratic Congress to put heightened pressure on our gradual market opening process, while reducing our access to the American market," one analyst said.

The adverse impact will be broad but it will be given first to semiconductors, color televisions, steel and auto industries, all crucial sectors for trade with the United States, still their largest market.

Electronics: Clinton's triumph is feared to hurt exports of semiconductors, on which President George Bush's administration has already set high dumping margins in its preliminary ruling. If the new administration upholds the ruling, it will deprive local exporters of any price competitiveness.

Other electronic exports including color televisions are also likely to come under more restrictions against alleged dumping practices.

Autos: A new barrier may be set up against Korean exports of autos by the new Clinton administration, which will attach greater importance to environmental preservation.

If Clinton curbs the influx of Japanese autos, the measure may be extended to the Korean products.

Textiles: Washington is likely to reduce quotas for Korean-made textiles, hitherto a key export item to the United States.

Shipbuilding: Should Congress pass a bill to ban subsidies for shipbuilding, which is now pending in the legislature, it will instantly affect the local shipbuilding industry.

The United States has further asked for the opening of Korea's shipbuilding sector.

Clinton is also expected to put crews on the opening of other Korean markets and seek breakthroughs in negotiations long pending between the countries as follows:

Communications: Pressure to open telephone and telegraph services is likely to resume. Korea has been designated as a priority foreign country for negotiations on the opening of the communications market.

If his call for the renewal of the lapsed Super 301 statute is translated into action, it will entail tough retaliations against Korea.

Rice: If the Uruguay Round of world negotiations on free trade ruptures in the foreseeable future, Washington will apply the statute to the tight Korean rice market to help American rice growers make inroads into the nation.

Retail market: Clinton is to demand American access to book and cosmetics retail business in Korea, which has been denied in its first and second liberalization program. He may also demand Americans' qualifications to bid for official supply to the public sectors.

South-North Korean trade: There is possibility that a Clinton government may try to interfere in inter-Korean trade as a leverage to put pressure on the South Korean market. Both sides of the Korean peninsula regard their trade just as internal dealing and levy no tariffs.

The Bush administration has recently raised argument over South Korea's shipment of rice to the North in an attempt to crack the tight wall surrounding the South Korean rice market.

Clinton Win May Aid Building Sector

SK0511014392 Seoul YONHAP in English 0128 GMT 5 Nov 92

[Text] Seoul, Nov. 5 (YONHAP)—Bill Clinton's victory in the U.S. presidential election will open the American construction market to South Korean firms, industry sources predicted Thursday.

Under President George Bush, the U.S. Government repeatedly turned down Korean requests that the terms of bidding for public construction projects should be loosened, but this was likely to change with Clinton's arrival in Washington, they said.

The United States has asked foreign builders for a surety bond corresponding to 100 percent of the project's money, preventing Korean firms from advancing into the U.S. market.

The President-elect emphasizes solidifying infrastructure to revitalize the economy using money raised by cuts in defense spending and heavy taxes on foreign firms.

The sources said that Clinton's economic policy would give rise to many large construction projects needing foreign help, and that Korean construction contractors should ride on this opportunity to secure a firm base to advance there.

Korea has received 29 orders worth 210.11 million U.S. dollars, only in the private sector, for small hotels and redevelopment projects from the United States since 1980.

This compares with 57 orders worth 2,225 million dollars from abroad in January-October, up 22.4 percent in value from a year earlier.

Clinton Seen Bringing 'Fresh Air'

SK0511071992 Seoul THE KOREA HERALD in English 5 Nov 92 p 6

[Editorial: "U.S. Election"]

[Text] The results of the presidential election in the United States demonstrated beyond doubt that the American public is preoccupied with and impatient for economic recovery at home. The overwhelming endorsement given to the Democratic standard-bearer Bill Clinton speaks for U.S. voters' choice of a youthful hand to do the job.

Widespread worry over a lingering economic recession that could signal the end of American greatness and power prevailed over the appeal for continued U.S. supremacy in international affairs. The theme of economic woe and social stagnation struck home.

A year of gruelling campaigning failed to reverse the fortunes of President George Bush that began to slide this year in spite of his earlier record of spectacular foreign policy exploits highlighted by the triumph in the Gulf war and an end to the Cold War. The aging leader fought hard and well to the last.

The 46-year-old Arkansas governor Clinton regained the White House for the Democratic Party after 12 years of Republican presidency since Ronald Reagan. Dodging attacks on his character, sex life and draft record, the vigorous dark horse campaigned with inspiration to rekindle the hopes of disaffected Americans for a breakthrough and resurgence. Not only the Democrats but also all Americans expect him to revive the brilliance of the late President John F. Kennedy.

The hotly contested race laid bare some of the ugly facets of free-wheeling democracy under which disrespectful mudslinging and name-calling were indulged in. This defect of liberty should have no place in the elections of any country.

Clinton and running mate Senator Al Gore of Tennessee will take office in January to breathe fresh air into the American leadership. It is heartening to see Bush personally ensuring a smooth transition of power. The incoming president stands at a vantage point as he will enjoy both a big electoral edge and a solidly Democratic Congress to work with.

No drastic change is foreseen in the internal and external policies of Washington, with regard to Asia and Korea in particular. However, there must be some readjustments in the specifics with increased emphasis on strengthening the U.S. economy. It might involve reduced overseas defense commitment and heightened trade war with other countries to protect jobs and curb deficits.

The new U.S. Administration must take action to relieve the possible shock and uncertainties of American policy as perceived by many allies and friends. For our part, Korea ought to be better prepared to meet any revisions in the U.S. foreign policy.

An accent on the domestic front should not mean neglect and withdrawal from international responsibilities. The mandate trusts the Democratic presidency to lead the United States toward a better new world order ushered in but left up in the air by President Bush. A stronger America under the new leader will mean a stronger Asia and a more secure world.

U.S. Election Issues Summarized

SK0511073992 Seoul THE KOREA TIMES in English 5 Nov 92 p 6

[Editorial: "Clinton's Runaway Victory"]

[Text] We extend congratulations to Bill Clinton who was elected as the 42nd U.S. president, defeating incumbent President George Bush. With his election, the 12 years of Republican rule came to an end.

Clinton took a commanding lead over Bush from the start and captured with ease the 270 electoral votes needed to win the election and kept increasing the margin, forcing Bush to concede defeat only hours into the vote count.

The 46-year-old governor of Arkansas ran well in most states to become the youngest American president since John F. Kennedy. He is a self-made man whose father died before he was born and is a typical politician who has worked his way up to the top.

He earned his victory with his dramatic call for change to make America strong and relentless assailing of the economic policy failures of the Bush Administration which he charged ruined the economy and protracted the recession.

To recall, Clinton in the early stage of the campaign presented a plausible policy blueprint for such issues of public concern as the health care system and education reforms. On the other hand, Bush, who claimed credit for ending the Cold War, did not present any type of plan that satisfied many voters so as to meet their needs and aspirations resulting from the lingering economic slump.

What must be noted is the fact that in the last month of the presidential campaign, Bush repeatedly denounced Clinton as a politician utterly without principles who avoided military service during the Vietnam war and once experimented with drugs in his college days. The incumbent also gave the pundits and media a final blast, declaring that this has been the most biased year in the history of American politics.

All told, it was a lengthy and grueling campaign of two starkly contrasting themes and personalities. Against Clinton's call for change, Bush charged that the young governor could not be trusted to lead the United States in a world fraught with danger.

Through the Nov. 3 ballot, the American people demonstrated that they preferred change in quest of economic prosperity at home in the post-Cold War era although they may have some reservation about the personal integrity of the young candidate.

Looking back on the Korea-U.S. relations of the past decades, Korean ties with the Democrats had as many ups and downs as those with the Republicans. But particularly during the Carter Administration, there were quite a few major issues involving Seoul and Washington, such as human rights problems under the authoritarian Pak Chong-hui rule, the lobbyist Pak Tong-son scandal and the U.S. plan to withdraw its troops from here.

These affairs, which had once drawn worldwide attention, in fact caused Koreans in general to have somewhat unpleasant memories of the U.S. Democrats. Yet, they were essentially matters resulting from the idealist U.S. president's efforts to improve the human rights situation in Korea and elsewhere during that period and should in no way be allowed to dim the prospect of new relations between the two countries.

Still maintaining their hold in Congress, the Democrats have made it clear they will keep an American military presence in Korea even after the change of administration. But Clinton may seek a reduction in the strength of American forces here and ask Seoul to take on an ever greater share for the costs of stationing U.S. troops on the peninsula.

Those moves are expected in connection with the Democratic candidate's pledge to cut the deficit. His administration may also step up pressure to further open Korean markets to nearly all U.S. goods, including rice and other farm produce, and services such as financing and commercial distribution.

Accordingly, our government and all private circles are called upon to come up with adequate measures to wisely cope with the Democrats taking power to further promote the cooperative bond with the United States, a close partner on historical, economic and security grounds.

Dailies Examine Ties Under Clinton

SK0411152792

[Editorial report] ROK evening papers on 4 November carry articles and an editorial on ROK-U.S. relations in the wake of Bill Clinton's victory in the U.S. presidential election.

The independent daily TONG-A ILBO carries a 1,400-word article on page 2 by reporter Yi Ki-hong entitled "What Will Become of Political and Diplomatic Relations Between the ROK and the United States." This article examines the ROK Government's view of prospects for political and diplomatic relations between the ROK and the United States during a Clinton administration.

The article first says that the general view of ROK Government officials is that "U.S. policy toward Northeast Asia and the Korean peninsula will not undergo great changes despite Bill Clinton's election victory." Quoting an ROK Government official, the article predicts that a "radical reduction of the U.S. Forces in the ROK will not take place," adding that the United States will strongly ask the ROK to increase its share for the upkeep of U.S. Forces in the ROK.

Referring to the Clinton administration's human rights diplomacy, the article predicts that if relations between the United States and China worsen as a result of such diplomacy, this will impose difficulties on ROK-Chinese relations, including military cooperation. Citing the presence of some Democratic congressmen who favor a flexible attitude toward North Korea, the article says that the ROK Government predicts that "it is very likely that contacts between the United States and North Korea will be invigorated in various forms, including civilian-level contacts."

With regard to the ROK Government's plan to promote friendly ties with officials of the Clinton administration, the article says that Neil and Co., a consultant company with which the ROK Government signed a contract last year, has broad channels of contact inside the Democratic Party and that the government plans to sign contracts with more consulting companies that have good ties with the Democratic Party. The article concludes: "The ROK Government will now have the Democratic Party as a partner in its diplomacy for the first time in 14 years, since the four years of the Carter administration. It optimistically says that overall relations between the two countries will not change greatly. However, it is busy mapping out countermeasures to specific circumstances that may arise."

TONG-A ILBO carries a 1,400-word article on page 2 by reporter Ho Sung-ho entitled "What Influences Will Clinton's Victory Exert on Trade Relations Between the ROK and the United States?" This article says that because Clinton is from Arkansas, a key U.S. rice producer, the United States will increase pressure to open the ROK rice markets. Quoting various government officials, the article says that the government will "ask the United States to fulfill its promises with us sincerely and will try to resolve issues concerning some U.S. demands—that we cannot accept—through multilateral negotiations in cooperation with other countries." The article also says that "ROK companies operating in the United States must make preparations against the U.S. Government's tax investigations and increases in taxes" and that "ROK businesses must make the utmost efforts to improve the quality of their goods, including automobiles, to avoid suffering from U.S. environmental restrictions." The article concludes: "No U.S. president has implemented all of his campaign promises. If we overcome offensive after offensive during the early days of the Clinton administration, we will be able to maintain satisfactory economic relations with the United States."

On page 3, TONG-A ILBO carries a 1,000-word article by reporters Yi Chae-ho, Kim Tong-chol, and Yi Tong-kwan entitled "Political Parties' Delicate Reactions to Clinton's Election Victory."

The article says the Democratic Liberal Party, DLP, stresses that the "result of the U.S. presidential election will not greatly affect the ROK's December presidential election," adding that this DLP strategy is intended to "prevent the promotion of an atmosphere for a transfer of power which the ROK voters have not been able to realize for the past 30 years."

The article quotes Kim Tae-chung, co-president of the Democratic Party, DP, as saying in a 4 November interview that Clinton's victory was possible because "young people voted massively" and because "voters were fed up with the long-term power of the Republican Party, which lasted 12 years." It also quotes Chang Chae-sik, chairman of the DP Policy Committee, as saying that the election result will "greatly affect the ROK middle class and intellectuals who want change."

The article quotes Chong Chu-yong, president of the United People's Party, as saying that the election result will not influence our presidential election in any way."

On page 3, CHUNGANG ILBO, an independent daily, carries a 1,600-word article entitled "Emergence of Clinton and the Tasks of Our Diplomacy." The article says the ROK Government expects that the United States will demand that the ROK increase its share for the upkeep of the U.S. Forces in the ROK and will "direct the spearheads of trade retaliation" to Japan and China because the "ROK has persistently carried out trade liberalization policies and no longer has a trade surplus with the United States."

On page 3, CHUNGANG ILBO carries a 900-word editorial entitled "ROK-U.S. Relations in the Clinton Era."

After noting that the Americans have chosen change during a new era of world order and elaborating on the U.S. election process, the editorial says: "We do not think that the keynote of U.S. policy toward Korea will greatly change even under Clinton because the policies we have been pursuing are roughly identical to those of the U.S. Democratic Party and Bill Clinton." After noting the possibility that Clinton's government will more resolutely carry out policies to reduce the military budgets and the budget deficits, the editorial says: "ROK-U.S. relations are based on reciprocity, not one-sided assistance. Therefore, no matter who takes power in the United States, all we have to do is maintain the traditional relations of friendship based on the fact that the United States is our most important ally economically and militarily and coordinate mutual interests in a straightforward manner."

Visa Rules for Business Trips to PRC Eased

SK0511085792 Seoul YONHAP in English 0731 GMT 5 Nov 92

[Text] Seoul, Nov. 5 (OANA-YONHAP)—South Korea is to ease regulations on business trips to China this month, simplifying application procedures and issuing multiple-trip permits, Foreign Ministry officials said Thursday.

Korea and China normalized relations Aug. 24, but Seoul still controls travel to China—requiring an official invitation and a Foreign Ministry permit for each visit.

The ministry will waive invitation requirements for businessmen and issue them one-year permits, the officials said.

The relaxation will take effect in the middle of November.

The ministry is studying similar measures for other travelers to China, but has still to reach an agreement with Beijing.

Russia Denounces DPRK for Jeopardizing Talks

SK0511100892 Seoul YONHAP in English 0915 GMT 5 Nov 92

[Text] Seoul, Nov. 5 (OANA-YONHAP)—Russia denounced North Korea for threatening to freeze inter-Korean dialogue, expressing regrets at the cold current that may cause new confrontation between Seoul and Pyongyang.

Russian Foreign Ministry issued a statement last Oct. 30 noting North Korea's threat to freeze inter-Korean contact and dialogue unless Seoul cancels its joint military exercise with the United States "Team Spirit," South Korean Embassy in Russia reported to the headquarters.

Russia expresses regrets at the cold current in inter-Korean relations that may cause new confrontation between Seoul and Pyongyang and leave serious impact on the progress of dialogue on the Korean peninsula, the statement said.

It went on to urge Seoul and Pyongyang to "refrain from activities that may force inter-Korean relations to regress," stressing that it hopes the two sides will continue efforts to solve mutual nuclear inspection and other pending issues.

Russia, the statement said, is ready to cooperate with other nations for meaningful development of peace and security on the Korean peninsula.

New Theoretical Work by Kim Chong-il Noted

SK0211123792 Seoul YONHAP in English 0837 GMT 2 Nov 92

[Text] Seoul, Nov. 2 (YONHAP)—Kim Chong-il, son and heir- apparent to North Korean President Kim Il-song, has called on the people to observe "basic principles" for building the country's communist party and strengthen solidarity with revolutionary parties throughout the world.

Naewoe press, Seoul's official North Korea watcher, Monday quoted North Korean radio broadcasts as reporting that Kim had written a monograph, titled "On Basic Problems of Building a Revolutionary Party," in which he urged the people to strictly abide by fundamental principles of building a revolutionary party and take the collapse of the European communism as a lesson.

Kim published his treatise on Oct. 10 to mark the 47th anniversary of the Workers' (Communist) Party.

Calling the breakdown of communism a "transitional phenomenon" and an "abnormal phenomenon," Kim argued strongly that North Koreans should be armed with a strict conciousness that the accomplishments and failures of the socialist system were entirely dependent on their efforts to build the party.

"Therefore, the people should heighten their vigilance against any machination of enemies at every class who attempt to destroy the party, and they should make every endeavor possible to strengthen the party and its leading role," his treatise said.

Laying a firm organizational and ideological foundation mattered most in building operating the party, Kim stressed, according to Naewoe.

He said that the party should put its primary emphasis on solidifying the "chuche (self-reliance)" thoughts of his father and on guaranteeing the uniformity of leadership.

He also emphasized unification of the party on the basis of chuche, strengthening of loyalty toward the party and the president among senior party members, elimination of old ideological remnants including bureaucratism, and strong vigilance against reformist, doctrinist and toadyist colors.

The monograph called for stepped-up organizational activities of party members to bolster their ideological training and ideological education for the people, especially for the youth.

"Historical experience tells us that ambitious personalities, traitors and machinators appear at a time when the shift of a revolutionary generation takes place, and these people attempt to destroy the unity of the party," Kim said, adding that the people should not be swayed by the collapse of the communist bloc.

Kim emphasized the importance of ideological education for the youth, who he said had stood in the vanguard of breaking down communism and returning their countries to capitalism.

He concluded that the most important task facing the North Korean Workers' Party was to harden international unity and solidarity with revolutionary parties around the globe, and therefore to wage strong activities against the imperialists.

* DPRK Economy Seen Heading Toward Capitalism

932C0014A Seoul SISA JOURNAL in Korean 1 Oct pp 34-37

[Article by Chicago correspondent Cho Kwang-tong: "Whither Is the North Korean Economy Heading While in the Process of Experimenting Capitalism?"]

[Text] Is North Korea engaged in reform and openness as is reported in the outside world? It is difficult to make heads or tails out of what is going on in North Korea when one visits there with this question in mind. North Korea is adhering to "the collectivist revolution and struggle under the slogan of "living in our own way" as consistently as it was one and a half years ago. By all appearances and judging from the social atmosphere, there are no signs indicating that North Korea will undertake reform and openness. When one stands at the immense plaza called "Korean style socialism," one comes to the realization that it is a different world with a different mind-set.

How will North Korea, which is holding its ground as the last testing ground of socialism, be able to withstand the wave of capitalism which is threatening to engulf it? North Korea, while itself being a testing ground of socialism, has begun experimenting capitalism. North Korea now stands at a point of such transition.

Joint venture factories and the Najin-Sonbong free economic and trade zone are the experiment of capitalism North Korea has undertaken. Since the Law on Joint Ventures was enacted in September 1984, 180 joint ventures have been launched for the past eight years, mostly by Korean residents affiliated with the General Associations of Korean Residents in Japan (Chochongnyon). Therefore, these joint ventures can hardly be viewed as a full-dress experimentation. Korean residents in Japan who call North Korea their fatherland started the joint ventures with the thought of aiding their homeland, not for the purpose of making money, and North Korea for its part shares this same perception.

But, things will be different in the future because the door is going to open for joint ventures with entrepreneurs of Japan, the United States, South Korea, the home grounds of capitalism converging on North Korea. One can feel the gradual change taking place in the perception of the concerned North Korean officials in keeping with the current of the times. Joint ventures did not attract much attention as late as one and a half years ago when an exhibition of products made by joint ventures was held in Pyongyang. But, they have begun to draw attention with Daewoo's decision to operate in Nampo.

Joint Ventures Can Be Started Anywhere

As of now, North Korea has about 180 joint ventures all together. Of these, about 50 are joint ventures started overseas by North Korea, including Africa and China. Joint ventures operating in North Korea number about 130, of which 80 percent are joint ventures with Chochongnyon-affiliated Koreans in Japan. Next come the Soviet Union and China, followed by Switzerland, Portugal, Australia, and Africa. Recently, Korean-Americans signed contracts for three joint ventures—a Mt. Diamond bottled water firm, a pharmaceutical plant producing a drug for thrombosis, and a garment factory—in the form of Hong Kong style joint ventures.

The scale of joint ventures ranges from $200,000 to $30 million in capital. The Moranbong joint venture garment factory is the largest one with a capitalization of $30 million. In the early period, the period of experimentation, most joint ventures were in the service business, such as restaurants and tea houses. But, the line of business is shifting gradually to large-scale manufacturing. What North Korea wants is not service firms, but manufacturing plants.

Kim Chang-kil, secretary general of the General Bureau of Joint Ventures said that the joint venture business has been in the doldrums partly because of "a tight capital blockade by the United States" and partly because of "the uncooperative attitude of the Japanese Government." He said that there is not a single U.S. firm which has invested in a joint venture, and there has been no direct Japanese investment in the joint venture business, although some Japanese invested through Korean residents. Nevertheless Kim Chang-kil and Guidance Worker Nam Yong-hwa frankly said, "We could have done better, but we were not fully prepared and failed to understand exactly what capitalist countries wanted." They added that North Korea did not anticipate the needs of the other side and failed to come up with an idea to meet them in advance, for it did not know exactly what the other side wanted. They added, "we started only after someone told us what he wanted to have this or that done." Pointing out that North Korea has not prepared even a single written guidebook publicizing North Korean joint ventures to foreign countries, the same officials said that North Korea is thinking of establishing a machinery through which to keep in touch with the trend of the world economy and collect pertinent materials.

With the agreement reached last year with Daewoo on a joint venture in Nampo as a momentum, North Korea pins so much hope on joint ventures with the South that these officials said that it is possible to build a joint venture factory at any place to which the partners agree, not confined to Nampo. Referring to recent South Korean press reports that the North Korean law on joint ventures has been revised, these officials said that those reports are false, adding that there is no plan to revise the law, although some of the wording may be changed in the future.

The North Korean law on joint ventures imposes no limit on the types of joint venture business that can be undertaken or on the amount of investment, allowing foreign enterprises to invest up to 99 percent of the total capitalization. Joint ventures are managed by the board of directors made up of the partners, not by the "Taean Work system," a collective management system outlined by Kim Il-song during his on-the-spot guidance tour of Taean Electric Appliance Factory in 1961. The singular feature of this law is the provision requiring the board of directors to make its decisions by a unanimous vote.

Aside from joint ventures, North Korea is preparing a law on cooperative ventures with a plan to announce it in or about October. Cooperative venture firms, unlike joint ventures, are managed by the North Korean style. In a cooperative venture firm, foreign partners provides equipment or materials and receive a certain amount of products in return. Cooperative ventures are aimed at modernizing the equipment of North Korean enterprises and utilizing North Korean labor to secure a steady supply of raw materials and supplies which are in short supply in North Korea. Under the law on cooperative ventures which is currently being prepared, foreign investors may receive other products than part of the products manufactured by their cooperative ventures in return for their investment.

North Korean officials expect that as soon as the South Korean authorities permit South Korean firms to operate in North Korea, there will be a rapid surge of joint and cooperative ventures in North Korea. They also expect not only large corporations but also small and medium enterprises to enter. North Korea is putting its heart and soul into the "free economic and trade zone" in the Najin-Sonbong area, its most laborious project, although it is less popular among South Korean enterprises. The zone is commonly known to South Koreans as the "Tumen River special district." This plan of building a capitalist city with a population of 1 million in the corner of the North Korean soil will no doubt serve as an important indicator for determining the future direction of the North Korean economy.

According to the plan, the formation of the industrial estate site of 621 square kilometers, or 0.06 percent of North Korea's total area, is scheduled to be completed in September. North Korea plans to move 1 million people, or 5 percent of its total population, into this estate. Kim Chong-u, vice minister [of external economic affairs], said that the law on investments by foreigners, the tax law, and other necessary laws will be published by the end of September. Western entrepreneurs have visited North Korea with considerable interest, and Japanese businessmen in particular are showing their great interest. Enterprises in Hong Kong, Taiwan, Germany, Italy, and even Iran, as well as officials of the UN Development Organization, are visiting North Korea.

According to concerned officials, North Korea plans to permit capitalist enterprises to invest up to 100 percent of the capital and operate in the free economic and trade zone by the capitalist way of doing business. It seems that despite ostensible calm, the free economic and trade zone will make North Korean officials nervous considerably. Yim Tae-tok, secretary general of the Committee for the Promotion of Economic Cooperation with Foreign Countries, an organization deeply involved in the free economic and trade zone, said, "frankly speaking, we never handled this kind of project before, and those functionaries themselves who are in charge of the project has no deep comprehension of the project." So, we may say that this is a very ambitious project and whether it will succeed or fail is an unknown quantity to North Korea.

It seemed that the free economic and trade zone would serve as a yardstick for measuring the "capacity of socialism." It will be the place where a showdown will take place between the "chuche ideology"—in praise of which all North Koreans sing together in chorus—and the wave of capitalism. If North Korea succeeds in meeting challenges from within and without, its experimentation of capitalism on its own soil will turn out to be successful. When this happens, we must draw the conclusion that the North Korean socialist system of "living by our own way" has proved successful in its experimentation.

In their minds, North Korean officials do not look upon the free economic and trade zone from the point of view of experimenting capitalism. Needless to say, they do not regard the free trade zone as part of reform and openness. They claim that this experiment is a land development plan for the backward area, an idea stemming from the geographic features of the Tumen river delta and the profitability of trade in this zone, as well as a long-range outlook for economic cooperation in Northeast Asia. The project seems to have a greater significance and effect than North Korean officials think, however. How will a population of as many as 1 million be able to maintain the North Korean way of thinking and its ideology without being tinged with capitalism? This is an economic as well as political problem for North Korea.

It seems that the question of where the North Korean economy is heading will have a close correlation with the direction the free economic and trade zone will take. The prevailing view in Western Europe is that North Korea will eventually come to terms with capitalism, and this will in turn bring about a major change in its economic and political systems. But, when you stay in North Korea, you will come to have a different view. There seems to be a great gap between the views and analyses of the outsiders and the feelings and consciousness of the people inside the country. In North Korea so many things are incomprehensible which, as our North Korean fellow countrymen say, "are beyond comprehension unless one changes the starting point of one's perception." The fever arising from the collectivist mood is so high and the dominant flow of collectivist consciousness which runs through this mood is so overwhelming that individuals will feel powerless in face of this flow. As long as the national consensus that "we must live in our own way" and that "we have a superior socialist system" remains dominant, it seems that no individual can jump over the fence of this consciousness.

That is reality in North Korea, and I feel that this reality is likely to last into a distant future. There are no visible signs that warrant the evaluation that the North Korean economy is in such dire straits that it will collapse, touching off unrest in the Institution. (Elliott House), vice president of Dow Chemical Co. visited North Korea last year. When his prediction that "North Korea will collapse in six months" was printed in THE WALL STREET JOURNAL, his prediction was quoted as evidence of the North Korean economic crisis. It may be proper to ruminate on this matter and conclude that this prediction was off the mark probably because he viewed the North Korean economy according to the Western way of thinking. Only when North Korea is seen from an objective viewpoint, can a prediction made of it be correct.

Morality, Diligence, Frugality Make Economy Strong

"Whither the North Korean Economy is heading" is a question requiring cool thinking and probity in finding an answer to it. At the risk of making a mistake or misjudgment, I will give my impression of what I observed in North Korea: North Korea has a far greater economic potential and ability than South Korea thinks.

In fact, the North Korean economy looks even awesome. I feel that it is rather South Korea that should stop showing its self-conceit or making a false show of strength with regard to its economy and tighten its own spiritual belt. True, North Korea is poorer than South Korea and there seems to be a considerable gap between cities and villages in North Korea. But, there is the underlying belief that everybody is equal in North Korea. The textbook moral code that no one shall be greedy is accepted as a natural standard of behavior, and the prevailing ethos is that living diligently and frugally is a natural thing to do.

If technologies and capital from Japan and the United States are added to this mind-set, it seems possible for North Korea to develop its economy. Needless to say, even this line of thinking is unacceptable to North Korean officials. They said, "that is a capitalist way of thinking of those who do not know much about North Korea." Neither the South Korean society will accept such proposition because South Koreans are self-conceited, intoxicated by their economic success and bent upon exaggerating North Korea's backwardness. I got the impression that unless South Korea becomes humble in the appraisal of its economy and simple in its way of life, the North Korean economy, which will undergo a drastic change when North Korea establishes diplomatic relations with Japan and the United States, may become a menace to South Korea.

It may be a wishful thinking on the part of the South to think that if the number of South Korean entrepreneurs travelling between North and South increases with the establishment of joint ventures in North Korea, and if North Korea gets in touch with Western culture with the establishment of the Tumen River free economic and trade zone, our North Korean compatriots will come to taste capitalism and freedom and convert to the capitalist way of thinking.

"Where is the North Korean economy heading?" and "will North Korea engage in reform and open up to the outside world?" In wounding up my three-week visit in North Korea, I felt that we should interpret these questions in such a way that the answers we will come up with will sound an alarm to the South Korean economy.

[Box, p 35]

Light Industry: textile, garment, footwear, sundry goods, school supplies, knitwear, and silk fabric factories.

Heavy Industry: machine, electronics, automation (computer), hardware, tool, transformer, motor, and automobile factories.

Building Material: sheet glass, firebrick, cement, ceramic, and tile factories.

Agriculture and Fisheries: canneries and processing plants for marine products and rice straw.

Joint ventures are undertaken with foreign firms inside the territory of the republic in accordance with the principle of equality and mutual benefit.

Joint ventures are possible in many fields, such as industry, construction, transportation, science and technology, and mining.

Assets invested by the foreign partners and profits earned from business operation will be protected by law.

Overseas Koreans, including Korean resident businessmen in Japan, can participate in joint ventures.

Joint venture firms are organized by going through the process of contract - approval by the offices of external economic affairs of the republic - registration with the pertinent agencies.

Investment may take the form of currency, assets in kind, invention rights, and technological know-how by contract.

Partners will be accountable for the liabilities of the firm up to the amount of the value of the investment, and the registered capital cannot be reduced.

The board of directors is the highest decision-making body, which makes its decisions on important matters such as the adoption of a by- law, operational plans, the account settlement and distribution of profits, and the appointment and dismissal of officials.

The president manages the firm in accordance with the decisions of the board of directors.

Venture firms may deposit money with foreign banks and borrow money from them.

Domestic raw materials are purchased at international market prices, and materials may be imported from overseas free of customs.

Foreign employees shall pay the income tax and may remit overseas part of their wages.

The profit is computed for distribution in the annual account settlement by the formula: gross sales - (cost + income tax + reserves + production expansion and technology development funds).

The money received in profit distribution may be remitted overseas.

Venture firms will be dissolved upon the expiration of the term of the contract, and disputes are reviewed by an arbitration body of the republic and may be submitted to an organization of a third country for arbitration.

Joint Reconciliation Panel Meeting Not Held

SK0511091892 Seoul KBS-1 Radio Network in Korean 0800 GMT 5 Nov 92

[Text] The first meeting of the Joint Reconciliation Committee of the North-South high-level talks has been aborted.

According to an agreement at the eighth North-South high-level talks, South and North Korea were supposed to hold the first meeting of the Joint Reconciliation Committee at Panmunjom this morning to discuss how to implement the auxiliary agreement on reconciliation. However, the North side's joint committee chairmen announced in a joint statement dated 3 November that the North refused to hold joint committee meetings, including the Joint Reconciliation Committee. Thus, delegates from both sides did not appear at the meeting hall today, and the meeting was automatically canceled.

No Tae-u's Departure From Ruling Party Examined

Motives Eyed

932C0003A Seoul CHUGAN CHOSON in Korean 1 Oct 92 pp 10-11

[By reporter Kim Chang-ki: "President No Weighed Post-Term Plans, Decided to Leave DLP at the End of Last Year"]

[Text] President No Tae-u's decision to resign from the Democratic Liberal Party [DLP] has created a massive stir in the political world. It changed the parliamentary relationship between the DLP and the Democratic Party [DP] from one of the "ruling party" and "No. 1 opposition party" to the "majority party" and "No. 2 party" with no government-opposition distinction overnight.

In substance, the decision, announced by the president immediately after a meeting with DLP President Kim Yong-sam on 18 September, contained two points—withdrawal of his DLP membership and a pledge to appoint a neutral, election care-taker cabinet—which in fact were the two sides of a coin.

The decision was most shocking to the DLP. In particular, members of the RDP [former Reunification Democratic Party] faction were said to be baffled and, deep in their hearts, have even felt that they were betrayed. Meanwhile, feelings among DJP [former Democratic Justice Party] faction members were a mixture of "sorrow"—comparable to that of "the married daughter" at the departure of "the father who has been unable to give her much help but moral support"—and criticism of No's "irresponsibility."

As a matter of form, anything shocking to the DLP would generally profit the DP. In fact, the DP sees, beyond such reflex profits, a decisive, golden opportunity laden with chances of enormously favorable change in connection with the approaching presidential election. On his return from a three-day U.S. visit on the afternoon of 20 September, DP President Kim Tae-chung, in a comment at Kimpo Airport, hailed the No Tae-u decision as a "Copernican change in the political history of our country."

Currently, the nation's political concern is focused on President No's next steps, namely on whether he will remain a mere bona-fide "neutral election care-taker," or lean toward either side, DLP or DP, with his "moral" support while pledging neutrality, or form a new force of his own.

President No is scheduled to return from the United States on 25 September after making a speech before the United Nations, and to again leave Seoul on 27 September on a visit to China. He is returning from China on 30 September; if things go as he said in his 18 September statement, the appointment of a new cabinet to take care of the election and his resignation from the party will be carried out in early October. Consequently, we will have to wait until after that to know more clearly about the political impact of the president's decision. Until then, Chongwadae and the three political parties will be groping in the dark, vigorously.

First, the DLP claims that the president made the decision "jointly with party President Kim Yong-sam." It explains that Kim Yong-sam's press conference remarks on 16 September were, in sum, an assurance that the coming election shall be an epoch-makingly fair election free from interferences by governmental power for the first time in the history of constitutional government in this country, and that President No's 18 September decision was in the same context. Its assertion is but a formal stance aimed at public relations, however. Even people on the Kim Yong-sam side would say that lurking behind the No Tae-u decision is the president's indignation at "excesses" which Kim Yong-sam had committed in the relationship with him in recent years. In other words,the Kim Yong-sam side itself knows that it has committed some "mistakes" and is reflecting on them.

Nevertheless, the decision appears to have been prompted not by a few fits of emotional pique against Kim Yong-sam. Instead, it seems based on a fundamental analysis and planning about politicking in this country and a future course of action.

According to unconfirmed stories circulating in political quarters President No was, already toward the end of last year, planning to resign from the DLP. He had mapped out plans, they say, to disassociate himself from the party and confine his role to an election care-taker sometime after the DLP picked its presidential candidate and after he transferred the party presidency, and at a point when the presidential race gets going in earnest. He possibly drew such plans for the sake of consummating his 29

June [1987] democratization declaration, if not for other reasons. No's recent series of friction with the Kim Yong-sam side seemingly only helped to move up the carrying-out of the plans and added to his determination, analysts say. To put it in plain terms, No possibly had post-term plans not entirely dependent on the DLP and its president, Kim Yong-sam.

As for the DP, the development of a situation in which the incumbent president has cut off his ties with the ruling party and reduced his role to taking care of the election could mean a tremendous plus for its election strategy. First of all, the promised neutrality of the government in the election has in itself the effect of erasing a basic advantage the ruling party has. One may call it a passive gain, then there is a greater and more positive gain, too: by rebuilding his relationship with the president—who would no longer belong to the ruling party—in a friendly direction, Kim Tae-chung as DP presidential candidate can not only substantially dilute the rejection against him in certain sections of our society but also link the voter support for President No (however small it may be) to the vote for himself.

To that end, the DP should, symbolically speaking, show voters more of such scenes as a smiling Kim Tae-chung shaking hands with President No.

It was in that context that Kim Tae-chung vowed to cooperate with the effort to normalize proceedings in the National Assembly session on 21 September, and that he kept praising President No's decision in comments in the United States on 18 September and again at an airport interview on return from the U.S. visit on 20 September and at a press conference the next day. The same thing can be said about the suggestion he made that the DP could even revise its position concerning the gubernatorial and mayoral elections should a satisfactory election care-taker cabinet be formed as promised.

To such flexible moves of the DP, the DLP will by no means remain indifferent. The DP pledges continuation of the existing party-government cooperative ties regardless of the president's departure as well as its maximum cooperation to bring his term to successful conclusion.

To sum up future DLP moves, the party will devote everything in its power to restoring the friendly ties with President No.

If such efforts should prove successful, the DLP will be able to regain President No's moral support, at least on an informal basis, while the DP can largely ward off governmental interferences in the election.

If President No's decision is based on broader factors including a realignment of the political forces, both the DLP and the DP are compelled to basically revise their strategy for the presidential election. In this case, a political realignment means the birth of a fourth party—a personal-guard party for President No or a party against the two Kims. Moves in that direction can rapidly gain momentum behind the scenes while the president is off the country on an overseas tour.

Should things go that way, the present DLP, while staying on as a party led by pro-Kim Yong-sam forces, will be thrown into a crisis of split. Likewise, the DP will also encounter even greater difficulty as it will have to face a new challenger.

At the moment, it appears to be something close to an adventure for President to make a new choice like that; however, with the political situation remaining vastly fluid and dependent on the future flow of voter sentiment, the remaining several days through early October will likely be a crucial period of readjustment for each party involved.

* Departure To Affect Economic Policy

932C0010A Seoul HANGUK KYONGJE SINMUN in Korean 23 Sep 92 p 3

[Unattributed article: "Separation of Party and Government Heralds Change in Economic Policy: Neutrality and End to Patronage in Store"]

[Text] The separation of party and government signaled by President No Tae-u's announcement that he would resign from the Democratic Liberal Party [DLP] is expected to bring significant change in the government's economic policy management.

With new policy decision mechanism yet to be established, it is feared that there might be some short-term delays and confusion in the decision-making process on important matters. Meanwhile, decisions already made under the old system of party-government consultation would inevitably require substantial touch-ups. These things could lead to setbacks in the policy execution. In addition, the business world is racking its brains over how to deal with the new environmental change.

On the other hand, in connection with the approaching presidential election, instances of politically-motivated relaxation of regulations and controls and of pork barrel-type pledges are likely to diminish somewhat. Observers also note that the separation will help the government effectively maintain the basic direction of fiscal retrenchment to prevent the election from causing inflation.

Commenting, a government official said: "Since President No made clear his will to withdraw from the DLP and form a neutral cabinet for fair management of the election, every administrative measure that can possibly influence the presidential election shall be suspended and policy neutrality shall be maintained thoroughly in all areas of the economy and public life."

Business and academic circles, meanwhile, point out that the party-government separation, while bringing the influence hitherto exercised by the ruling party over economic policies to an end, raises grave concern that each political party will come up with vote-conscious programs in a manner reminiscent of the saying "stopping the voice of the people is difficult." They are urging economic ministries and agencies to do everything in their power to maintain the policy consistency.

In particular, businesses are worried that the political transition might cause an administrative vacuum. Efforts to minimize it are the most pressing task, they say.

Economic Planning Board:

The Economic Planning Board [EPB], in charge of overall economic planning, takes the position of pushing existing policies smoothly despite the president's secession from the DLP. Nevertheless, it appears to be apprehensive that some of its programs might prove controversial in the National Assembly.

A prevailing observation among officials is that the EPB, with the expected ceasing of party-government consultation system, will be compelled to either introduce legislative bills to the parliament on its own or go through the process of briefing each political party on them in advance. They are concerned that this could cause delays of policy decisions as well as various bottlenecks in the course of planning.

First of all, concerning the 1993 budget bill on which consultations with the DLP have been completed, the EPB is set to push it as planned. In the course of consultation with the DLP, it already made adjustments amounting to a total of 660.7 billion won. In this connection, officials explain that since the final responsibility now rests with the government, they find further readjustments difficult.

As regards a revision of the Fair Trade Act sought for legislation of mutual-payment-certification system, which is an issue involving interests of various sectors, or amendments to the consumer protection law, the general prospects are that the original government plans will more or less suffer setbacks, however.

Especially, with the proposed amendments to the Fair Trade Act, the DLP had earlier requested deferment of consultation. So, whether the government will introduce a revision bill to the National Assembly, independently since the party-government consultation system no longer exists, remains a matter of concern. Concerning a revision of the consumer protection law, there had been no party-government consultation carried out on it. It is expected that this fact, coupled with the strong reactions of business circles against the proposed control of advertisements, will make the bill's passage difficult.

Ministry of Finance:

Presently, with Minister Yi Yong-man out of the country attending the IMF general meeting, the ministry would not officially comment on the divorce of party and government but working-level officials are busy speculating on the future policy direction.

A ministry official, interpreting the situation affirmatively, said: "An end to the party-government consultation system means, among other things, less pressure from the DLP and, therefore, it rather helps ensure neutrality in the policy-making process."

In short, he hints that in dealing with, e.g., the issue of interest rates, the biggest pending issue, the ministry could perhaps find itself free from pressures created by the persistent DLP demand for "sharp, artificial cuts in the official interest rates." But another official complained that "while in the past we were required to consult only the DLP over various policies, we will from now on have to do the same with the Democratic Party [DP] and the Unification National Party [UNP], too. It is agonizing to think how we should proceed with policy adjustments with the former opposition parties demanding 'drastic reductions in the interest rates.'

Besides the money rates issue, ministry officials are worried about other equally sensitive policies involving interests of the business world and various interest groups, like a 1993 tax system reorganization plan on which party-government consultations were completed, a credit-control-system reorganization plan, and a financial industry reorganization plan, fretful if they can really be pushed as planned by the government.

Ministry of Agriculture and Fisheries:

The ministry—which, through party-government consultations, already finalized farm programs, major and minor, ranging from strategy for UR [Uruguay Round] negotiations to the government purchase of autumn-harvest grain—appears confused as officials rack their brains over how to steer future consultations with political parties in the wake of President No's breakaway from the DLP.

Especially, over the purchase price and quantity of rice, an issue of extraordinarily great concern for the political camps, not to mention farm communities, the ministry needs cooperation of not only the DLP but other opposition parties as well, a factor adding to the confusion. In this climate, officials are extremely sensitive to moves of political factions.

This ministry has more pending cases requiring consultations with political parties than any other ministry or agency. As such, it is confronted with a huge pile of problems yet to be solved, including such immediate ones as a special-measure law for development of farm and fishing communities, which failed to gain approval of the regular National Assembly session late last year, legislation on fostering the processing of farm and marine products, and the question of post-UR subsidies to farm and fishing communities. While holding meetings daily in an effort to find ways to deal with problems, leading officials generally take a wait-and-see stance.

Vice Minister Kim Han-kon said: "Although we will have to wait and see until this weekend, it is hoped that the three parties will in their floor leaders or secretary generals sessions create a window of consultation one way or another." He thus suggested that if the political sphere sets a new rule, the ministry will follow it. At the same time, he looked preoccupied with apprehensions that future consultations could encounter difficulties should political parties with their eyes on the rural vote make unreasonable demands about the grain purchase.

Ministry of Trade and Industry:

With the official cancellation of a scheduled DLP-government consultation session on a support program for small and medium-size businesses, as an immediate result of the No Tae-u announcement, the impact of the party-government separation apparently began coming to the fore.

On 21 September, the DLP, through Chong Hae-chu, an expert adviser, officially informed the ministry of the cancellation. It was later learned that in cancelling the scheduled session, the DLP stated: "Considering the will of the president to form a neutral cabinet, it is deemed inappropriate in timing that the party and government engage in bilateral discussion on a policy involving various support measures at a time when the election is near." "For the purpose of setting a precedence of government consultation on important policies not only with the majority party but minor parties as well, we have decided to cancel the scheduled DLP-government session."

While ostensibly reacting calmly and saying that "as coordinating with ministries and agencies concerned on the program in question has largely been completed, we see no particular problems in carrying it into effect." Ministry officials seem to feel uneasy that they have just lost a powerful backer. Sources of the Small and Medium-Size Business Bureau explain that main ingredients of in the support program for small and medium-size enterprises are reductions and exemptions in income and corporate taxes, reduction of the red tape on starting a business, and expanded budgetary support for next year. Since all these measures have already been finalized, they say, the cancellation of the scheduled party-government session has little practical impact. They emphasize that it is the party side rather that is affected, because it has lost the chance to exploit the format of party-government consultation in publicizing its support policies on small and medium-size businesses. It makes no difference to the ministry whether or not such consultations are held, they insist.

At the same time, ministry sources say apprehensively: "The Ministry of Trade and Industry, unlike other ministries and agencies, has many programs on which it needs support of the political camps. Therefore, it will lose more than it gains from the divorce of the DLP and government." "Thinking that in the future we will have to face the hard-to-deal-with EPB and Finance Ministry on our own to get their consent to industrial measures, we are worried."

Ministry of Transportation:

To all appearances, the situation created by President No's announcement seems to mean problems in the high-speed railway and new international airport construction projects. But ministry officials maintain that there can be absolutely no problems in carrying out these projects since they have been pushed over a long period of time.

The ministry plans to carry on as scheduled the high-speed railroad project, which began in June and is currently in the stage of roadbed construction, and to get on with the new international airport project in late October or early November, also as scheduled. Considering the fact that the DLP has now retreated a step from its demand in the course of party-government consultations in the past for sharp cutbacks on the 1993 budget covering the projects, officials are somewhat concerned that the projects might be revised in the regular session of the National Assembly, however.

The ministry has made it clear that regarding future consultations with political parties, it will comply with a new guideline to be jointly prepared by ministries and agencies.

Ministry of Labor:

Through consultations with the DLP, the ministry has been pushing for amendments to the labor-related laws including the Labor Standards Act, the dispute mediation law and the labor union law. Its revision plans have virtually been shot down by a request from the DLP leadership for "being cautious with revisions of labor-related laws." Especially, high-ranking ministry officials predict that when a new government takes over in 1993, there will come change one way or another in the substance of the aggregate wage system, which is currently in effect over the "strong opposition" of the DP and UNP and with the "conditional consent" of the DLP.

The director of the ministry's Planning and Management Office, U Song, said that "the government is pushing for amendments to the labor laws and carrying on the aggregate wage system as a means to lift the national economy from its current slump and revitalize it." "However, in implementing measures over which labor and management are sharply pitted against each other, we will have no alternative but to find ways to reflect industrial-site opinions more comprehensively than before," he added.

* Resignation Still 'Puzzle'

932C0020A Seoul CHUGAN CHOSON in Korean 8 Oct 92 pp 10-13

[Article by reporter Yi Yon-hong: "President No's Resignation from the Party Still a Puzzle"]

[Text] Why did President No Tae-u resign from the party? Nobody has yet given a clear-cut answer to this question. At the best, some came up with their own speculations, but none of them truly spoke of President No's "inner mind."

This is quite natural because if some persons took part in President No's decision, their names are still kept under wraps. However, various unconfirmed stories are being circulated in political circles.

According to one of these stories, Assemblyman No Chae-pong (former Prime MInister) is said to have played a decisive role.

But that story has not been confirmed. No Chae-pong himself has denied the rumor for now. The Kim Yong-sam intimates tried to verify this story, but failed to find any trace of Assemblyman No's alleged role.

According to the talk of the town, Assemblymen Yi Chun-ku and Yi Han-tong might have played some role when they met with President No on 15 September. But Yi Han-tong said, "on that day President No made no mention whatsoever of his plan to withdraw from the party."

Well, supposing President No really asked these two assemblymen for their opinions, surely they would have objected to the president's plan to resign from the party. Therefore, the rumor that Assemblymen Yi chun-ku and Yi Han-tong were involved is virtually groundless. According to Yi Han-tong, President No is said to have asked the two assemblymen during the 15 September meeting to help Kim Yong-sam and see to it that he will win the presidential election.

There is also another rumor that Assemblyman Yi Pyong-yol, who met with President No on 16 September, might have played some role in President No's decision to quit the party. But this rumor has been found to be far from the truth. Reportedly, there was no discussion of the subject of quitting the party when the two met.

Another story going around in the stock market says that President No must have accepted the opinion of the military. This is the kind of idea anyone endowed with a rich power of political imagination may hit upon once.

But this story has not spread much as a rumor because such possibility is almost nil.

There is even speculation in the town that President No's withdrawal from the party was the work of DP President Kim Tae-chung. This speculation was touched off by the intimation made by Kim Tae-chung that he himself persistently urged President No through National Assembly Speaker Yi Chun-kyu to withdraw from the DLP. Kim Tae-chung is quoted as saying, "It seems that Speaker Pak conveyed my request to President No as it was." The speculation was fortified by the belated report that shortly before Kim Tae-chung left Seoul for a visit to Russia, Kim Chung-kwon, senior presidential secretary for political affairs, paid a secret visit to him at his home in Tongkyo-tong. Furthermore, with the spread of the rumor that President No decided to withdraw from the party in consideration of his post-retirement life, the speculation that President No must have consulted with Kim Tae-chung began to sound more plausible.

In fact, Kim Tae-chung must be wishing to make it appear that he was behind President No's resignation, for this would give him an advantage in the presidential race if many people get that impression and believe it. This would immediately make a difference in the scope of support he would receive from various quarters.

This story also has a flimsy ground, however. There is no proof that President No accepted Kim Tae-chung's idea. If that story were true, telltale signs must have turned up in some corners.

For all these rumors, as of now, there seems to be no one whose idea played a decisive role in President No's withdrawal from the party.

Neither does the rumor currently circulating in the town sound convincing—the rumor that President No was so displeased with the demand for the replacement of the prime minister, made by Kim Tae-chung during their meeting, that the president announced on the spur of the moment that he would resign from the party.

No president would behave like that.

If so, President No's resignation should be viewed as his own decision. There can be no other explanation because no one else took part in the decision.

Moreover, with the presidential election only three months away, the president had no prior consultation even with Kim Yong-sam, and this rules out the possibility that someone took part in the decision.

If noone else but the president himself actually took part in the decision, the only possible interpretation is that President No's own interests must have figured largely in his decision to quit the party.

As far as President No's personal interests are concerned, a "secure post-retirement life" may be his greatest concern, although the reinstatement of the DLP administration for a second term could be his primary concern.

Only President No knows which is more important for him. But more people think the president may be more concerned about a "secure post-retirement life" because President No sees a very high possibility of Kim Tae-chung winning the presidential election.

Accordingly, the rumor is spreading in the town that President No himself decided to withdraw from the party to receive an assurance for his post-retirement life.

Considering the past attitude of present DLP president Kim Yong-sam, only a few of the No Tae-u intimates believe that Kim will do his best to protect President No after his retirement. The repealing of the selection of the underwriters of the mobile telecommunications project is cited as the ground for such disbelief.

If President No withdrew from the party to get an assurance for a "secure post-retirement life," it is highly possible that President No will be neutral in the forthcoming presidential election.

If President No should stay really neutral, he would be assured of a secure post-retirement life, no matter who becomes the next president.

There is something that makes this assumption rather shaky. That something is the remarks President No made to Assemblyman Kum Chin-ho—the husband of his wife's sister—whom he invited to the presidential mansion on the evening of 18 September, the day on which he announced his decision to withdraw from the party.

During this meeting, President No is said to have explained to Assemblyman Kum in great detail why he decided to quit the party. Assemblyman Kum related to his intimate fellow assemblymen what the president had told him. President No was quoted as saying:

"It is no longer possible to manipulate the election, even if we wanted to. The world has changed so much. The present mood is such that even if we tried to drive home that we would not manipulate the election, the public would not believe it. If party President Kim is elected, controversy over the government's intervention in the election would still persist. Under these circumstances, it would be impossible to manage state affairs properly in the early stage of the new administration following the election. Given Kim Yong-sam's highly favorable chances of getting elected, I had better resign from the DLP. Kim Yong-sam assured that he would compete in the election with no assistance from the government, did he not?"

That was the explanation President No supposedly made about the background of his decision.

The substance of this explanation indicates that the motive for the president's decision to quit the party was not so pure. This will be the case if the quoted remarks are what President No frankly confided to Assemblymen Kum about the background of his decision, and if Assemblyman Kum related to his fellow assemblymen without alteration what President No actually said.

But it is a fact that many in political circles do not think the motive for president's withdrawal from the party was not so pure as he claims it to be.

There were diverse speculations as to the motive for the 29 June (1987) No Tae-u declaration when it was made. By the same token, many approach the issue concerning President No's motive in deciding to quit the party in a similar vein. In fact, President No expressed his neutrality in the May election for the nomination of the DLP presidential candidate, but in reality he supported Candidate Kim Yong-sam. This partiality drew an adverse reaction from Assemblyman Yi Chong-chan and his supporters, but Kim Yong-sam himself was very much displeased with the repeated profession of President No's neutrality.

Therefore it is the consensus of opinion among political veterans that it needs more time to ascertain President No's true motive.

In other words, how President No will move shortly before the election will provide the key to resolving the puzzle concerning the real motive of his resignation from the party.

Kim Tae-chung Set for Final Campaign Stretch

SK0211023492 Seoul THE KOREA TIMES in English 1 Nov 92 p 15

[By staff reporter Sim Chae-yun]

[Text] Democratic Party leader Kim Tae-chung is poised to leave no stone unturned to win the presidential election expected in coming December, judging it is the last and best opportunity for him to take up the presidency.

Kim, 65, who has been the prominent opposition leader in the country has challenged for the presidency three times.

With only one and a half months left to go before the election, Kim has already girded up his loins in a last ditch effort to woo voters' support, embarking on a virtual presidential campaign across the country since last month.

Kim believes President No Tae-u's decision to leave the majority Democratic Liberal Party and form the so-called neutral cabinet to ensure the fairness of the election has rendered him his best ever chance to garner the presidency.

He believes that No's decision would bring a crack within the DLP by adding impetus to moves to form a new party by some maverick lawmakers such as Reps. Yi Chong-chan and Pak Chol-on who left the party, thus decreasing DLP presidential candidate Kim Yong-sam's chance.

Kim also expects DLP's Kim to lose the given advantage he once had as the candidate of the ruling party as public officials would not be able to support him at least publicly in the wake of No's bolting from the party.

"Kim Yong-sam is also expected to suffer financial problems as the business circles are certain to refuse to offer him political funds openly," a ranking campaigner said.

"In addition, Kim has virtually lost much of his support base in the South-eastern Kyongsang-namto province regarded as the traditional ruling party's powerbase with the move for the new party," he said, adding that most key members of new party promoters are from the region.

In truth, the party weighs heavily on winning support from the T-K (Taegu-Kyongpuk) province, judging the people in the region are not truly in support of Kim Yong-sam.

DP executive chairman Yi Ki-taek expressed their affirmative view on the prospects of earning votes from the people in the T-K region upon returning from a tour to the area.

"It appears that the people in the region are changing their attitudes toward Kim Tae-chung and the DP. Given concentrated and proper election campaigns in the region, I am sure that Kim will earn at least 20 percent of the support," Yi said.

In reality, Kim and his campaigners plan to canvass the region and other feasible areas located in the middle part of the country during the campaign period while abstaining tours to the Southwestern region of Cholla-to province in fear he might be the target of public criticism for igniting chronic regionalism.

Kim also thinks the people in Cholla-to province are unshakable supporters as has been proved before through previous general elections.

Instead of massive outdoor rallies, Kim plans to make small-scale rallies using buses at as many rally cites as he can in a strategy to give the public the impression he is a familiar and serious politician.

A party source compared Kim's way of campaigning as that of United States Democratic presidential candidate Bill Clinton, dubbing it as "a small but efficient campaign."

The party believes the election at large depends upon the decision by the so-called young generation in their 20's or 30's who take 57 percent of the total voters and are considered to be progressive-minded.

In this vein, it held a large cultural festival with about 20,000 youngsters attending at a gymnasium in Olympic Park, southern Seoul, late last month.

It also organized a rally at Hankang riverside under promotion of the party auxiliary environmental committee with the slogan of "Let us revitalize the Hankang."

The party, formed through a merger between the defunct Democratic Party led by Yi Ki-taek and Party for Peace and Democracy headed by Kim, plans to make the most of the young and well-known party former and present lawmakers including Reps. Hong Sa-tok, Yi Hae-chan and Yi Pu-yong and former lawmakers No Mu-hyon and Kim Chung-kil.

It is also trying to find way to increase the percentage of voter turnout, judging it would help the party in the end.

Kim puts first emphasis on clearing away his amage as a radical and agitating political leader through his "New DJ Plan" which Kim claims has been manipulated by the former dictatorial regimes to undermine him.

The party judges it has succeeded in alleviating Kim's negative images through consistent campaigns.

It believes the vested class represented by business and military circles have gradually changed their opinions about Kim and now think that it does not matter if Kim becomes president.

Kim vows he will not make any political retaliation even if he takes up the presidency, in an attempt to mitigate his radical image and woo support from the ruling camp.

In order to surmount his haunting red complex, Kim is now voicing up criticism against communist North Korea, saying he has no sympathy with the North at all.

He worries about the recent controversy over his ideological inclination because one of his aides was charged with leaking a secret document to a suspected North Korean agent.

He made it clear that he is opposed to communism during a meeting of party members late last month in Wonju city, Kangwon-to province.

"I would, if elected president, put forward policies to win the communist regime in the North and get rid of its threat by planting true democracy in the soil," he said.

His efforts to be seen as a soft politician was also revealed when he made reconciliating remarks to the Agency for National Security Planning which he said oppressed him in the past.

"Most of the NSP agents are engaging in patriotic activities in the true sense. What matters is only those who are involved in domestic political surveillance," he said.

"The party acknowledges the necessity of the NSP and will spare no assistance for the agency in case it is faithful to its original duty of safeguarding national security and collecting information," he added.

All told, his aforementioned campaign strategy is epitomized by the slogans of "New DJ (Dae-Jung) Plan" which can be summarized by "grand reconciliation and gradual reform."

At the time when Kim came forward with the slogan, he tried to give the impression that he is a soft and mild political leader by wearing bright-colored neckties and suits and smiling as frequently as possible.

The DP leader asserted the New-DJ plan does not mean a mere change in appearance but it refers to the grand reconciliation during a speech before the National Assembly Oct. 14.

Reconciliation means solving regional confrontations and mitigating conflict between the haves and havenots and the young and old.

Kim also pledges he would not make any political retaliation against those who oppressed him in the past, well remembering the fact that he needs cooperation, albeit lukewarm, from the people with vested rights.

Kim also affirms to guarantee the status of the public officials including the employees of the government-funded organizations and fairness in the personnel administration.

As to the direction of reform, Kim vows to revise the National Security Laws to accommodate the rapidly changing situation at home and abroad while retaining the provisions needed for national security.

He also opposes major and sudden withdrawal of the United States forces stationed here. He maintains that the American forces should continue to stay here as long as North Korea poses a threat.

He pledges he would conduct a general poll to decide the methods of national unification and form a pan-national cabinet for the reconciliation in the real sense within one month after he comes to power.

Kim will start his full-fledged campaign with the beginning of a mass rally in Taejon, Chungchong-namto province Nov. 7.

He faces heavy schedules during the campaign period dropping in at least five towns a day, hoping to capture the prime dream of his life.

Brunei, Malaysia & Singapore

Malaysia

Papers Urge Clinton To Repair 'Ugly' U.S. Image

OW0511043292 Tokyo KYODO in English 0407 GMT 5 Nov 92

[Text] Kuala Lumpur, Nov. 5 KYODO—Malaysian newspapers urged U.S. President-elect Bill Clinton on Thursday to make sincere efforts to repair strained relations between the United States and other nations, especially in the third world.

"The hope is that Clinton, in advocating change, will bring a new beginning to the U.S. relationship with the rest of the world by undertaking measures to repair the 'big, bad and ugly America' image," the BUSINESS TIMES said.

The financial daily said the United States has been accused of imposing its will on smaller countries "whether they like it or not" and making decisions without taking into account their effects on the rest of the world.

The NEW STRAITS TIMES, an English-language daily, called for sincerity and sensitivity by the United States in its dealings with other countries.

"Some sincerity in its professed respect for other nations will make the U.S. less overbearing," it said, adding that "policies that set the U.S. adrift from Southeast Asia will not help the U.S. become a respected leader."

"Clinton must address the issue of how to reposition the U.S. here for it has a lot to lose if a Japan-China-ASEAN network of cooperation takes place without it," it added.

Clinton, it said, should respect the region's moves to promote free trade through the formation, proposed by Malaysia, of an East Asia Economic Caucus (EAEC), which was strongly opposed by the administration of President George Bush.

The Malaysian Government has bristled at U.S. criticism over issues such as tropical logging, human rights, and the EAEC, which has been backed by the Association of Southeast Asian Nations (ASEAN).

The EAEC, proposed in late 1990, has failed to materialize chiefly because of U.S. opposition, which has caused Japan, seen by Malaysia as needing to play a leading role in the new grouping, to remain noncommittal over its participation.

The newspapers also urged Clinton to be outward-looking and guard against protectionism if the U.S.'s ailing economy is to be revived. He must recognize that the strengthening of the U.S. economy depends of the economies of others and on economic interdependence, the NEW STRAITS TIMES said.

The Malay-language UTUSAN MALAYSIA said Malaysia should seek alternative markets in case the new administration erects greater barriers to protect its own economy.

Mahathir Condemns U.S. for Mistreating Detainees

BK0411150992 Hong Kong AFP in English 1309 GMT 04 Nov 92

[Text] Kuala Lumpur, Nov 4 (AFP)—Malaysian Prime Minister Mahathir Mohamed condemned Wednesday the treatment of 24 Malaysians arrested in Boston, as a U.S. diplomat apologised for a delay in informing Malaysia of the detention.

"Although these people may have done something wrong, the manner they were treated is something that would not be tolerated in Malaysia," Mahathir charged.

"We don't treat foreigners like this, especially tourists to our country, even if they have done wrong."

He said that if the reports of mistreatment were confirmed, it would hurt U.S. relations abroad.

Local newspapers reported Monday that a group of 23 Malaysian tourists and their guide were jailed and mistreated by U.S. officials on a charge related to overstaying after arriving in Boston on October 21.

They were reported to have been brought to court in plastic handcuffs which prevented them from removing heavy autumn clothing during a two-hour hearing in a sweltering courtroom.

The news reports said only tour guide Choong Chee Keong was being charged with trying to smuggle two of the group members into the United States, with Judge Marianne Bowler deciding that the 21 tourists be detained for questioning in relation to the case.

Five of the tourists have reportedly been released. The cases of the 19 others were to be decided at a hearing later Wednesday.

U.S. Ambassador John Wolf, meanwhile, said he regretted the U.S. failure to immediately inform Malaysia of the arrests, violating the consular agreement between the two countries.

"It is regretted that timely notification was not given as required by the agreement," Bernama news agency quoted Wolf as saying.

Mahathir Urges Party Unity

BK0511041892 Kuala Lumpur NEW STRAITS TIMES in English 3 Nov 92 p 3

[Text] Kuala Lumpur, Mon.—With four days to go before the UMNO [United Malays National Organization] annual general assembly, party president Datuk Sri Dr. Mahathir Mohamed reminded members to maintain unity and solidarity, adding that UMNO cannot be threatened from outside but can be weakened from within.

Party unity and family togetherness in UMNO must be defended and consolidated at all times, he said.

Therefore, all misunderstandings and contests for party posts which can weaken the party should be avoided, he added.

In his message to delegates in the party's annual report to be presented to the assembly which begins on Friday, Dr. Mahathir, who is prime minister, said the interest of the party must be given priority.

"It is the responsibility of all leaders and members to ensure that UMNO remain in power. If we are disunited and compete for positions in an unhealthy way, the efforts to strengthen the party and maintain our power would be eroded.

"The objectives of the party and the nation still have to be fought with greater emphasis in order to achieve our struggle and maintain the existing power. What is the use of fighting and competing for seats if we lose our power in the end.

"Our struggle continues. The nation's and the party's struggle need to be given more push to be successful and to retain our power. It is my hope that the unity in the party and the struggle to uphold party interests will continue to become the common objective of members."

He said that since the revival of the party in 1988, UMNO's position has become much stronger, a proof of the growing support of the Malays and the masses for the party.

"As such, UMNO's struggle for the Malays and the people can be undertaken with greater confidence and success."

Dr. Mahathir also stressed the need to prepare the party to meet the challenges in the years beyond 2000 so that it could lead the people irrespective of their race and creed to become an industrialised nation under Vision 2020.

On international affairs, Dr. Mahathir said the collapse of the communist system and the Soviet empire had resulted in the monopoly of the military power by the United States.

"This has resulted in a strain in international relations. The United Nations and the Security Council are controlled by the superpowers and no longer reflect the changes which have taken place in the world after World War II."

He said the world kept on changing and as a developing nation, Malaysia needed to voice out its concerns over developments around it.

"We need to voice out our opinion and stance openly on political, social, economic issues which affect us and the region. We also do this in the interest of other developing nations."

Protest to GATT Over Tropical Timber Labels

BK0511085092 Kuala Lumpur Voice of Malaysia in English 0600 GMT 5 Nov 92

[Text] Malaysia has protested on behalf of ASEAN countries to the GATT Council in Geneva over a new requirement by Austria that tropical timber imports should clear information on forest conservation policies in the countries of origin. The statement said Austria's demand for mandatory labeling on tropical timber products for sustainable forest management program amounted to discrimination against the economic interests of developing nations.

According to the protest, the labeling which does not apply to temperate timber would force consumers to switch for the temperate timber. This, in turn, will decrease demands for tropical timber, thereby lowering prices with the predictable result that [words indistinct] to maintain revenue.

The Malaysian statement said it did not intend to file an official complaint against Austria to the General Agreement on Tariffs and Trade Council and it was still hoping the dispute could be settled through bilateral negotiations.

Hawk Purchase Unrelated to 'Territorial Claims'

BK0511014892 Kuala Lumpur NEW STRAITS TIMES in English 3 Nov 92 p 7

[Text] The purchase of 28 Hawk aircraft under the memorandum of understanding [MOU] signed with Britain is not related to Malaysia's territorial claims over certain islands off the coast, Defence Minister Datuk Sri Najib Tun Razak said.

The deal with British Aerospace Company Ltd. was aimed at strengthening the nation's defence system, he said.

He said the Malaysian Government's policy was to create a credible and deterrent force in stages to protect the nation.

The light combat plane will provide air support in the event of a ground attack.

"We need better equipment for the security of the nation...modern warfare is not cheap and needs huge investment.

"But we cannot rely just on equipment.

"We need to strengthen military ties with other countries in our defence approach," he said in reply to a question by Mr. Lim Guang Eng (DAP [Democratic Action Party]-Kota Melaka).

Lim had asked how the purchase of the aircraft would contribute towards national security.

To another question by Encik [Mr.] Sukri Mohamed (S 46 [Spirit of 46 Party]-Kok Lanas), Najib said the purchase price of the aircraft under the government-to-government arrangement was reasonable.

He said the government-to-government arrangement had helped strengthen bilateral ties and secured Malaysia certain economic consideration from the British Government.

On the original question by Puan [Mrs.] Ilani Ishak (S 46-Kota Baharu), he said the MOU also provided for the purchase of spare parts, ground support equipment, and ammunition for the aircraft. The minister said the Malaysian Government had also signed an agreement with the Rediffussion Stimulation Company Ltd. to buy a "Hawk 208 Stimulator System" costing U.S. $31.7 million ($79.25 million) [ringgit].

Sweden Provides Fund for Environmental Protection

BK0411125992 Kuala Lumpur BERNAMA in English 0935 GMT 4 Nov 92

[Text] Kuala Lumpur, Nov 4 (OANA-BERNAMA)—Sweden is providing a U.S.$15 million Swedish fund, the first credit facility in Malaysia solely earmarked for environmental protection and control activities.

Disbursed through the Malaysian Industrial Development Finance (MIDF), the fund provides soft loans to the manufacturing sector in Malaysia for the acquisition of Swedish machinery and equipment for environmental projects and activities.

MIDF Business Development Manager Zohary Dalip said items with a non-Swedish cost of not more than 25 percent could also be considered for financing.

Speaking at the Swedish companies' agents day seminar organised by the Swedish Embassy and the Swedish Trade Council here Wednesday, he said each loan would be capped at the equivalent of U.S.$5 million.

Financing is up to 75 percent of the cost of machinery and equipment with a fixed rate of five percent a year.

Uzbekistan Airlines Begins Weekly Flights

BK0411040492 Kuala Lumpur BERNAMA in English 0331 GMT 4 Nov 92

[Text] Kuala Lumpur, Nov 4 (OANA-BERNAMA)—Malaysia is the first Southeast Asian destination for the newly-formed Uzbekistan Airlines of the Uzbekistan Islamic Republic [name as received].

Air-Abda Sdn. Bhd. [Private Limited], the sales agent for the airline in Malaysia and Singapore said it would operate a once-weekly direct flight from Tashkent to Kuala Lumpur every Friday.

Air-Abda Chairman Zainal Abidin Abdul Kapur said Wednesday his company hoped to attract tourists to Uzbekistan besides carrying pilgrims for the umrah (minor pilgrimage) and the hajj.

The first group of 168 people from here would be travelling on the airline to perform the umrah in Saudi Arabia on Nov 13, he added.

The airline planned to increase its flights here to twice weekly from March or April next year, he said.

Singapore

KYODO Reports Reaction to Clinton Victory

OW0511043892 Tokyo KYODO in English 0421 GMT 5 Nov 92

[Text] Singapore, Nov. 5 KYODO—Singapore newspapers Thursday urged U.S. President-elect Bill Clinton to promote free trade, reflecting worries that he may adopt a protectionist stance in his foreign trade policy.

"While Mr. Clinton signifies change for Americans, Singapore and indeed the world community will hope that his foreign policy will emphasize stability over confrontation and free trade over protectionism," the BUSINESS TIMES daily said.

The STRAITS TIMES, another major English-language newspaper, said Clinton "causes disquiet among America's allies and trading partners, in Asia as in Europe, when he talks glibly about defending American exporters against 'unfair' practices."

It said "Asian capitals particularly would be straining for leads in the weeks ahead when Mr. Clinton picks his cabinet and advisers" to get a clearer picture of Clinton's foreign policy stance.

The daily warned that lashing out at China on human rights problems or attacking Japan and the European Community for market access "could do untold harm at a stage when the GATT (General Agreement on Tariffs and Trade) negotiations are dangerously mired and a bloc mentality in international trade is gaining currency."

It said Clinton's predecessor President George Bush will be missed in Asia. "He had been a friend of Asia, he understood the dynamics of the region and the causal relationship with American interests."

Clinton's victory on Tuesday has been greeted with mixed feelings in a tone of caution and uncertainty in Singapore.

Clinton has been hailed as a good choice for the task of rejuvenating the ailing U.S. economy by the business community here, and many people believe he will be a pragmatic leader in pursuing foreign policy.

The STRAITS TIMES reported that many business people and analysts believe Clinton's pro-growth policies for the stagnant U.S. economy should generate positive spinoffs for Singapore at least in the near term.

"Most read the outcome as a welcome change," said the daily. "They were also optimistic that the president-elect would not adopt an extreme posture in his trade policies as it would be tantamount to shooting his own feet."

Many business people also expressed concern that Clinton should not push China too hard on the human rights issue because an isolationist China would be bad for the world economy.

Political scientist Chan Heng Chee, former Singapore representative to the United Nations, said she did not expect many changes in U.S. foreign policy.

Singapore's ambassador-at-large Tommy Koh urged Clinton to be politically and economically engaged in East Asia and avoid protectionist policies.

Satellite-Based Aircraft Tracking System Planned

BK0411052992 Singapore THE STRAITS TIMES in English 3 Nov 92 p 1

[Monetary amounts in Singapore dollars]

[Text] Singapore is expected to be among the first countries in the world to introduce a satellite-based aircraft tracking system in which air traffic controllers will be able to "see" beyond radar coverage.

It has invested in a $160 million air traffic control system which will replace the existing one in 1994, Communications Minister Mah Bow Tan said yesterday.

The system, which will incorporate the latest satellite technology, will have more powerful computers and more advanced radars, he added.

Mr Mah was speaking at the opening of a $40 million aviation training centre, the Singapore Aviation Academy set up by the Civil Aviation Authority of Singapore (CAAS).

The minister described the new air traffic control system as "a quantum leap forward in the provision of modern air traffic control services."

At present, the radar system used by air traffic controllers has a range of 250 nautical miles. Beyond that, air traffic controllers have to depend on manual computations.

Elaborating, CAAS' deputy director general, Mr Ng Wee Hiong, said that the new system, known as Lorads II, would hook on to satellites—possibly those of a multinational consortium such as Inmarsat—to track aircraft movements.

The satellite will pick up data on the plane's location and altitude transmitted by a computer on board the aircraft and relay it to the air traffic control centre.

Mr Ng said the system would make highly accurate computations on aircraft movements 20 times faster than the existing system.

For aircraft outside radar coverage, it would also make the air traffic controllers' job easier as they would not have to track such movements manually.

Later on, as satellite-based tracking is implemented by more countries, aircraft can be spaced closer to one another for more efficient use of airspace, he said.

At present, aircraft have to be spaced further apart when they are outside radar coverage because of possible inherent inaccuracies in manual control.

To train air traffic controllers for the satellite-based system, the new academy, in Aviation Drive near Changi Point, has high-tech equipment, including simulators.

Mr Mah said the academy had been designated a Centre of Excellence by ASEAN.

This means ASEAN nationals are encouraged to use the centre's facilities for certain specialised courses to avoid duplication of training resources.

The centre has also been selected as a regional centre for advanced specialised training for the Asia-Pacific Region by the International Civil Aviation Organisation [ICAO] and the United Nations Development Programme.

Latest forecasts by the ICAO show that by the year 2001, international scheduled services will carry 490 million passengers and 16 million tonnes of freight—almost twice the volume carried last year, Mr Mah said.

With the projected increase in traffic, more and better trained aviation personnel would be needed, he said.

Cambodia

Government Spokesmen Hold News Conference 3 Nov

BK0511041092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Nov 92

[Text] Uch Kim-an, Khieu Kanharit, and Im Sothi, deputy ministers attached to the cabinet of the Council of Ministers and spokesmen of the government of the State of Cambodia [SOC], gave a news conference on recent events in Cambodia to national and international reporters at the Sakal Muoy Hotel on the morning of 3 November.

At the opening of the conference, Khieu Kanharit briefed the reporters on the failure of Japanese-Thai efforts to coax the Khmer Rouge faction into going back onto the track of the peace process, saying in the recent tripartite meeting between Thailand and Japan on the one hand and the Khmer Rouge on the other, the latter did not give any positive answer but continued to adamantly repeat the same two core issues, that is the presence of Vietnamese troops in Cambodia and the expansion of the role of the Supreme National Council [SNC]. Along with this, he added, they have continued to ceaselessly commit violations against the SOC side; especially last week, the Khmer Rouge elements fired rockets on Russei Kev and Ponhea Loe Districts near Phnom Penh.

Khieu Kanharit also told the reporters that His Excellency Hun Sen will soon lead an SOC delegation to join an SNC meeting to be held in Beijing. At the Beijing meeting, H.E. Hun Sen will raise the following two issues:

1. The organization of an election to choose a president or head of state and a legislative election—the SOC side will account for its stance on the presidential and legislative elections.

2. The demand for the international community to adopt a political attitude toward the Khmer Rouge, who have refused to take part in the peace process.

The conference concluded after our government spokesmen answered several questions raised by the national and international reporters.

'Teachers' Accuse Japan of Favoring Phnom Penh

BK0411045392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 3 Nov 92

[Text] Japanese Defense Minister Sohei Miyashita, at a recent ceremony to launch the restoration of National Route 2, reportedly said that roads in the regions controlled by the Party of Democratic Kampuchea will not be repaired. Concerning the report, a group of teachers in Phnom Penh wishes to voice its view as follows:

We are of the opinion that such Japanese road restoration is not for helping Cambodia in line with the Paris accord. However, Japan comes here to assist only the Vietnamese puppets and the Vietnamese aggressors in their continued invasion and occupation of Cambodia. We unambiguously know Japan's intent: Whatever Japan has done is only for one party; whatever agreement it has mapped out is only in favor of one party; and it has also implemented the Paris accord within the framework of only favoring one party. Therefore, Japan has acted in total contradiction to the Paris 23 October 1991 accord, which clearly refers to the four Cambodian parties and the Supreme National Council [SNC].

We, the group of teachers in Phnom Penh, wish to ask: If Japan implements the Paris accord in such a disorderly manner, can the issue of Vietnamese aggression against Cambodia be settled? Can security and peace be restored to Cambodia? Can the reconstruction of Cambodia be possible? And will Japan's appearance become attractive or ugly in the eyes of the Cambodian people?

We extremely regret Japan's acting according to such a bad strategy. If Japan genuinely wants to help rebuild Cambodia, it should provide assistance within the framework of the Paris accord and in the following circumstances:

1. Japan should help rebuild Cambodia only after the SNC is endowed with the role as the unique legitimate organization and source of authority in Cambodia throughout the transition; and

2. Japan should help rebuild Cambodia only after UNTAC and the SNC have joined hands to verify the withdrawal of all Vietnamese aggressor forces from Cambodia.

KR Deny Killing 11 Vietnamese in Koh Kong

BK0511012292 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Nov 92

["Denial by the spokesman of the Party of Democratic Kampuchea [PDK] of an UNTAC [UN Transitional Authority in Cambodia] spokesman's accusation against the PDK for the killing of 11 Vietnamese settlers in Koh Kong Province"—read by announcer]

[Text] 1. An UNTAC spokesman has slanderously accused the National Army of Democratic Kampuchea of killing 11 Vietnamese settlers in Koh Kong Province on 3 October 1992.

2. The PDK spokesman vehemently rejects the accusation which has been hurled to serve an evil political goal.

3. The general public has clearly seen that this accusation is aimed at shielding the Vietnamese aggressor forces and the Vietnamese settlers in Cambodia, some of whom are being systematically shipped from Vietnam to Cambodia according to Vietnam's plan to Vietnamize Cambodia in violation of the Geneva Convention of 12 August 1949 and the Paris Accord of 23 October 1991.

4. The accusation is intended to circumvent national and international opinion from seeing attacks mounted by the Vietnamese aggressor forces and the Phnom Penh troops. It is also aimed at threatening the PDK and those who continue to demand the correct and unbiased implementation of the Paris accord.

[Dated] 3 November 1992.
[Signed] The spokesman of the PDK.

Sanctions Urged on KR if 7-8 Nov Meet Fails

BK0511011992 Hong Kong AFP in English 0807 GMT 4 Nov 92

[Text] Phnom Penh, Nov 4 (AFP)—Phnom Penh Foreign Minister Hor Namhong called Wednesday for sanctions against the Khmer Rouge [KR] if the emergency meeting of Cambodia's Supreme National Council (SNC) in Beijing this weekend fails to bring the radical faction back into the peace process.

While he called sanctions "most appropriate," he also said that his faction was considering a number of other measures.

"Sanctions are the last chance to get the Khmer Rouge back into the peace process," Hor Namhong said.

After that, the two co-chairmen of the Paris peace accords, French Foreign Minister Roland Dumas and his Indonesian counterpart Ali Alatas, who are to host the Beijing SNC meeting, must take further measures according to the peace accord.

Hor Namhong suggested that the Khmer Rouge be excluded from the process.

Another appropriate measure, he stated, would be to call an official end to the United Nations' plan to canton government troops to allow them to counter an "imminent Khmer Rouge dry season offensive."

He also suggested that the UN Security Council modify the peacekeepers' military mandate so they can give material assistance to the factions opposed to the Khmer Rouge.

"In case we have to fight back against the Khmer Rouge, we don't need foreign troops, we need equipment, we need material assistance from (the United Nations) or from friendly countries," he said.

If the United Nations does not take sufficient measures, Phnom Penh will be obliged to take them by itself, he warned.

"We have to be prepared to prevent the Khmer Rouge from disrupting the elections, from endangering the implementation of the peace process," Hor Namhong said.

UNTAC Accused of Collusion With SRV, SOC

BK0511034892 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 4 Nov 92

["Letter" from a group of students at Phnom Penh University; date not given—read by announcer]

[Text] We, a group of students at Phnom Penh University, like the Cambodian people in Phnom Penh and across Cambodia, love genuine peace, independence, and democracy. After the existence of the Paris accord, especially after the Supreme National Council [SNC] and UNTAC [UN Transitional Authority in Cambodia] had installed their headquarters in Phnom Penh, we were hopeful that the SNC and UNTAC would collaborate to create a neutral environment so as to allow us and the entire Cambodian people to enjoy all kinds of rights as stipulated in the Paris accord.

However, one year has already elapsed, but the political environment is still in complete darkness. Students continue to remain under both the moral and psychological oppression and pressure of the Vietnamese puppets and are forbidden from expressing their views. Given the ongoing occurrence, where are freedom and democracy? And who should shoulder the responsibility for such a situation?

In our opinion and that of the people in Phnom Penh, it is the UNTAC head, the Vietnamese aggressors, and the puppets, who are the arch wrongdoers. Because:

1. Since its arrival in Cambodia, UNTAC has not verified the Vietnamese presence in the least. The UNTAC head has not only not checked on the Vietnamese presence but has also repeatedly proclaimed that there is no Vietnamese presence. Then the UNTAC head has codified a law punishing those who utter the word Vietnamese or carry out activities against the Vietnamese. Afterward, the UNTAC head has even forged a law allowing the Vietnamese to vote but denying Cambodians the right to cast their ballots. Now, the Vietnamese, whose numbers are increasing in Phnom Penh, have become openly arrogant because UNTAC leaders have lent them moral encouragement, protected them, and embraced them; and some UNTAC leaders have even become Vietnamese pimps.

2. The UNTAC leaders, in collusion with the Vietnamese aggressors, have succored the Vietnamese puppet regime in every possible way.

3. With the political goal of preserving the Vietnamese and the Vietnamese puppet regime, the UNTAC head has categorically refused to allow the SNC headed by Prince Norodom Sihanouk to assume its role and power according to the accord.

That being the case, we have no more confidence in UNTAC, and as our people often say: Those who help Vietnam to invade and occupy Cambodia are Cambodia's enemy.

Indonesia

Government Hopes for Clinton Focus on Asia

BK0411154592 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 4 Nov 92

[Text] The Indonesian Government hopes that the Clinton administration will not redirect U.S. Government attention away from the Asia-Pacific region, particularly ASEAN. Foreign Minister Ali Alatas said after the limited cabinet plenary session on economic, financial, and industrial matters at Bina Graha Palace this morning that he hopes that the Clinton administration will help the United States solve the Palestinian issue. Minister Alatas also expressed hope that the United States will reduce its protectionism. Minister Ali Alatas said that there would not be many changes in U.S. foreign policy because the Democratic and Republican Parties currently do not have a permanent [words indistinct], particularly on foreign issues.

Suharto Congratulates Clinton on Victory

BK0511085992 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 5 Nov 92

[Text] President Suharto has congratulated Bill Clinton on his presidential election victory yesterday. Minister-State Secretary Murdiono told reporters this after he met with the president at the Bina Graha presidential office in Jakarta this afternoon. The following is Murdiono's press briefing:

[Begin Murdiono recording] Ladies and gentlemen, the U.S. presidential election, as we all know, has been won by Bill Clinton, who is now the new U.S. president. Therefore, President Suharto today sent a congratulatory message to him. I want to let you know that our president also sent a message to President George Bush to thank him for the good cooperation and mutual understanding between the two countries under his administration. In his message to President Clinton, our president expressed hope that the existing cooperation and mutual understanding between the two countries will continue to grow in the coming years. That is all I can tell you. [end recording]

Minister-State Secretary Murdiono pointed out that the congratulatory message to Bill Clinton was sent today.

Papers View U.S. Election Results

BK0511072092 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 5 Nov 92

[From the press review]

[Text] According to MEDIA INDONESIA, young Americans attained their ambition yesterday with the election of Democrat Party presidential candidate Bill Clinton, who is 46 years old, as the 42d U.S. president. At the same time, Clinton's overwhelming victory over Republican Party candidate George Bush ended 12 years of Republican Party rule. The overwhelming victory with 370 electoral votes, more than the 270 needed electoral votes, has indicated how the American people are being gripped with Clinton mania.

Meanwhile, PELITA views international reactions to Bill Clinton's victory as open formalities. However, the Democrat Party candidate's victory has stirred a new anxiety in many countries. Regardless of all this, the daily only hopes that Clinton and his running mate Al Gore, who will determine the superpower's policies, will present the United States as Bima [a legendary Javanese hero], who was big and strong but did not trample on the weak.

In the meantime, SUARA KARYA rules out the anxiety and concern of some Indonesian circles that Bill Clinton's victory would not be favorable to Indonesia's interests, particularly those regarding three issues—less aid, growing trade protectionism, and human rights. According to the daily, the three issues should not cause concern. On the other hand, they should serve as a pacemaker to put greater emphasis on the ability of Indonesia as a big nation to have an independent attitude and self-reliance. Thus, cooperation with other countries, big or small, must be based on the principles of mutual interests and mutual interdependence.

Government Vows To Control Foreign Debt

BK0511114592 Jakarta THE JAKARTA POST in English 30 Oct 92 p 1

[Text] Jakarta (JP)—The government moved to allay public concern over Indonesia's 32 percent debt-service ratio yesterday by affirming that it is tightly controlling new foreign loans and emphasizing exports.

"The government is tightly controlling new foreign borrowings. Moreover, the foreign reserve holding at the central bank now totals US$11.5 billion," Minister of Finance J.B. Sumarlin said.

Sumarlin was speaking after he, Bank Indonesia Governor Adrianus Mooy and Minister/State Secretary Murdiono briefed President Suharto on the latest monetary situation and the intensive efforts being launched to increase tax compliance.

He confirmed that the Indonesian debt service ratio has reached 32 percent, of which 20.7 percent covers government debts, 2.1 percent goes to servicing state companies' debts and 9.4 percent goes for private company debts.

Sumarlin apparently considered it necessary to reassure the public of the comfortable monetary situation after Indonesia's most senior and highly respected economist, Sumitro Jojohadikusumo, called for a red light on the country's large current account deficit in a speech over the weekend.

Sumitro's speech at the opening of a conference of agronomists in Jakarta on Saturday warned of the dangerous situation created by Indonesia's external monetary balance. The current-account deficit, related to the balance of trade in goods and services, already reached $4.5 billion. The debt service ratio is 32 percent and foreign debts total $78 billion, with $45 billion owed by the state sector and $33 billion by the private sector.

According to Sumitro, inefficient industrial companies which enjoy disguised monopoly rights and the wastage and losses incurred in the implementation of development projects have contributed greatly to the large current account deficit.

"Based on the current level of annual exports, about $30 billion, our 32 percent debt service ratio means that we spend around $10 billion a year only for servicing our foreign debts," the economist said.

Sumarlin blamed the bulk of the high debt service ratio on the dramatic increase in foreign borrowing by the private sector over the last three years.

"The fact that the government has set up a special team to monitor and control foreign borrowings (in September, 1991) reflects its strong determination to curb the growth of foreign borrowing," he said. Adrianus Mooy said the current account deficit of Indonesia's balance of payments during the first semester of the current 1992/1993 fiscal year, April to September, 1992, was $1.65 billion, compared to $2.27 billion in the same period last year and $2.07 billion in the second semester of 1991/1992.

He attributed the positive trend partly to the marked increase in total exports to $16.4 billion in the first semester of 1992/1993, as against $14.5 billion in the corresponding period of last fiscal year, despite a decline in oil and natural gas exports.

Mooy added that import growth also had been curbed.

He said foreign debt interest payments during the first semester of 1992/1993 amounted to $4.85 billion, up from $4.47 billion in the same period of last year.

However, private capital inflow, loans and direct investment, during the first semester of 1992/1993 increased to $3.59 billion from $1.20 billion in the same period of last year, and official capital inflow, foreign aid, amounted to $1.9 billion, according to Mooy.

Referring to the tax campaign, which was also discussed at the meeting with the President, Minister Sumarlin said the government would offer new incentives to taxpayers who properly fulfill their obligation.

"The tax compliance in Indonesia is still very low at about 55 percent, compared to 80 percent in Malaysia, Singapore and the Philippines," he said.

The government will step up collection to increase tax compliance by providing additional incentives in the form of leniency on fines for overdue tax payments.

Alatas, France's Dumas To Discuss Cambodia

BK0411075392 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 4 Nov 92

[Text] Foreign Minister Ali Alatas and his French counterpart, Roland Dumas, are continuously making contact to find a way to involve Democratic Kampuchea [the Khmer Rouge] in solving the Cambodian problem according to the Paris accord schedule. This was stated by Foreign Minister Ali Alatas at Bina Graha Palace, Jakarta today just before the commencement of a meeting on the economic, financial, and industrial issues chaired by President Suharto.

Foreign Minister Ali Alatas and his French counterpart, Roland Dumas, are scheduled to hold consultations in Paris [place as heard; other reports, including ref item, indicate the meeting will be held in Beijing] on 7 and 8 November. According to Minister Ali Alatas, he and his French counterpart, Roland Dumas, have all along known the problems being faced by Democratic Kampuchea.

There are two aspects to Democratic Kampuchea's demands—which are withdrawal of the Vietnamese military personnel as laid down in the Paris accord, and concerning the status and stance of the Cambodian Supreme National Council [SNC]. According to Democratic Kampuchea, the SNC cannot execute its status and functions.

The complaints will still be entertained in accordance with the Paris accord.

Timor Resistance Marks Dili Massacre Anniversary

BK0511074292 Hong Kong AFP in English 0704 GMT 5 Nov 92

[By Robert Holloway]

[Text] Sydney, Nov 5 (AFP)—Indonesians who have been resettled in East Timor would be welcome to stay after eventual independence despite abuses by the Indonesian army there, a spokesman for the Timorese resistance declared Thursday.

In a speech to mark the first anniversary of a massacre by troops in the island capital, Dili, spokesman Jose Ramos Horta said 273 civilians were killed—more than five times the toll admitted by military authorities after an official inquiry.

Horta told the Australian Foreign Correspondents Association that his figures were based on research by 72 schoolteachers, students, paramedics, and morgue attendants, priests, nuns and nurses who had interviewed residents of every district of Dili in the three months immediately after the November 12 shootings.

In addition to the dead, 376 people were wounded and 355 missing, Horta said.

Holding a list of the casualties, he declared:

"It took six months for the mass of detailed information sent from East Timor to be processed and analysed."

Details had been double-checked by researchers and given to Amnesty International "for independent verification."

Amnesty's campaign director in Australia, Andre Frankovits, told AFP that the human rights organisation had been unable to confirm the figures "because the Indonesian authorities have not allowed access to East Timor."

But, he added, "Mr. Horta's figures are not impossible."

The Indonesian authorities' own figures "are creeping up," Frankovits pointed out.

"Initially they admitted 19 dead, then 55 after the inquiry, and now the governor of East Timor admits the toll could be as high as 200."

Governor Abilio Soares was quoted in the October 29 edition of the Indonesian magazine Forum Keadilan (Law Forum), as saying that the death toll was 200.

Soares provoked expressions of disgust in the Australian parliament Wednesday for his reported remark: "As far as I'm concerned, I think even more should have died."

Horta described Soares, himself a Timorese, as "half illiterate and corrupt" and said his appointment as governor proved the hollowness of Indonesian claims to have raised education standards in the former Portuguese colony.

Soares, he said, "is only mildly better than Pablo Escobar," the Colombian drug cartel leader.

But, Horta insisted, the Timorese resistance pledged itself to national reconciliation "on day one of independence" and would refrain from taking revenge even on collaborators.

"To be true to ourselves, we must forgive our worst enemies among us," he said.

Since its army invaded East Timor in 1975, Indonesia had resettled between 100,000 and 150,000 of its own people in the island, he said, but "they will be invited to stay on in a different East Timor."

The settlers, he said, "are 90 to 95 percent barefoot peasants who came seeking a better life. With them we shall build a common home for all."

Indonesia annexed East Timor in 1976 and has ruled out independence for the territory.

Laos

Commentary Views Clinton's Election Victory

BK0511115192 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Nov 92

[Station commentary]

[Text] Bill Clinton, the 46-year-old governor of the state of Arkansas and the Democratic Party's candidate for the post of the 42d president of the United States in the elections held yesterday, emerged the winner in a landslide victory with 363 votes, while George Bush earned only 132 votes [numbers as heard]. On 20 January 1993, Bill Clinton will be officially sworn in and will become the head of the White House. He will then be U.S. President for a term of four years.

This marks a great triumph for the Democratic Party because the presidential post has been held by the Republican Party for the past 12 years. It is also a great loss for the Republican Party, which, during its 12 years of supremacy in the White House, made various achievements in leading the United States and contributing to solving complicated international problems.

There are reasons for the Democratic Party's victory in the U.S. presidential election.

Over the past 12 years under the administration of the Republican Party represented by Presidents Ronald Reagan and George Bush, the White House paid too little attention to the country's domestic affairs. During that period, they focused too much attention on international affairs because they wanted to boost their prestige as world leaders.

The dumping of a massive amount of money into the Persian Gulf war weakened the once-strong U.S. economy and resulted in a serious economic recession. Several major businesses that formed the backbone of the U.S. economy had to close their doors because they could no longer afford to continue. The unemployment rate has increased and the people's standard of living has fallen. These factors led to the U.S. public's dissatisfaction with the Bush presidency. These conditions provided a good opportunity for the Democratic Party to launch verbal attacks on President George Bush and at the same time pledge to the American people that they would solve the people's problems. The Democratic Party therefore gained extensive public support during the presidential election campaign. When it came time for the election, the American people voted for Bill Clinton.

When thoroughly scrutinized, the policies of both the Republican and Democratic Parties can be seen as essentially the same and static. Regarding the fundamental economic policy toward the international community, both parties support free trade. However, Bill Clinton puts more emphasis on the issues of democracy and human rights and regards them as a bargaining chip in dealing with international relations. He also supports a policy of reducing trade with countries that the United States has a trade deficit with by imposing higher corporate income taxes. This may affect major U.S. trading partners such as Japan, Thailand, and other countries.

Philippines

Officials, Papers Comment on Clinton Victory

Senators Optimistic for 'Warmer' Ties

HK0511120492 Manila BUSINESS WORLD in English 5 Nov 92 p 12

[Report by Ramoncito P. dela Cruz]

[Text] Senators do not foresee any immediate, radical change in relations between the Philippines and the United States with the Clinton win. However, majority still expressed optimism a "warmer and closer" interaction will ensue as the two new leaders carry on with their mandate.

In an interview, Senate President Neptali Gonzales contended that the new administration will be concentrating on resuscitating its country's trade and fiscal deficits, "and I don't think that it will sacrifice its national priority interest to give special attention to the Philipines."

However, he quickly added that if the U.S. can be able to resuscitate its economy, "it is expected that it will have a spill-over effect onto the country."

Senator Blas Ople, the chairman of the chamber's foreign relations committee, foresaw the leadership change in a more positive light, saying "President-elect Clinton brings to his office in Washington a fresh credibility and a new clout which, if successfully used, can be applied for restarting the global economy, and bringing the GATT Uruguay Round of talks to a successful conclusion."

And with a new international trade agreement, Mr. Ople predicted "$200 billion (will be infused) immediately into the global economy and raise many economies from their current slump...the Philippines, which is suffering from a flat economic growth rate, will be one of the beneficiaries."

Sen. Orlando Mercado, the Senate chairman on national defense and security committee, expressed optimism thgat a Clinton victory "could see a rebirth of a new type of relationship between our countries based on post-military bases concerns; it may be easier to do that under a new leadership in the United States."

Sen. Francisco Tatad, for his part, said he is not expecting any new foreign policy to emanate from the U.S. towards Third World countries, especially the Philippines.

"We cannot have any illusions that the Philippines will be treated with special attention," he stressed. "We simply have to build a better alliance between our countries and theirs... we still have the Mutual Defense Treaty that will strengthen our relations in the coming months."

Sen. Heherson Alvarez believed that Mr. Clinton will be able to inject new ideas to revive the American economy, which will pave the way for better trade relations with the country.

Sen. Rodolfo Biazon, citing the history of Democratic administrations in respect of their relations with Philippine governments, expressed confidence that a Clinton Administration, after 12 years of seeing Republicans at the helm, will be "more sympathetic to the plight of the Filipino people."

Only Sen. John Osmena dismissed the Clinton victory as a "non-event," arguing that "the U.S. has completely lost interest in the country since the Senate rejected the proposed RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation and Security last year."

Editorial: 'No Cause for Celebration'

HK0511053592 Quezon City MALAYA in English 5 Nov 92 pp 1, 6

[Text] Hold the bubbly. There's no cause for celebration in Bill Clinton's victory over George Bush. Clinton's victorious strategy says it all—"It's the economy, stupid"—and however true is the Filipino perception that this country has traditionally had better deals under Democratic administrations, this time around America is about to wrap itself in a cocoon. The Philippines, whether it will go to the dogs or turn into an economic tiger, is the least of the incoming administration's worries.

Clinton will be presiding over the United States of the post-Cold War era, still the mightiest economic and military power on earth, but whose slide from imperial dominance is clearly evident, not the least to American voters of whom nine out of 10 held Bush in unabashed admiration for whipping Iraq's Saddam Husayn two years ago, but who yesterday turned to a new leadership to put their economic house in order.

The end of superpower rivalry, and its division of the world into two ideologically warring camps, has yet to give way to new international arrangements that would guarantee stability and peace. Bipolarity has given way to multiple centers of economic and military leadership. As the threat of a global war recedes, regional conflicts proliferate. And the Western alliance? Because democracies don't wage war on democracies, they just bludgeon each other to submission through economic competition.

These two leitmotifs—regional conflicts and economic competition—of the post-Cold War era bring to fore the two major concerns the Philippines has to immediately address: security and economic development.

On both counts, Clinton's and the Democratic Party's positions provide no comfort. The security umbrella provided by US forces is already leaking with their ejection from local bases. Leaving aside the perceived arrogance of White House proconsuls, the Bush administration has been assiduous in seeking new security arrangements that would insure continued US presence in this part of the world. Today's meeting of the Mutual Defense Board, for instance, will be discussing the prickly issue of US access under the terms of the RP [Republic of the Philippines]-US Mutual Defense Treaty. The US wants to stay a power in the Pacific and the South China Sea, that is, under the Bush administration's policy of flexible response. Clinton has studiously avoided during the campaign being drawn into international issues. But given a choice between spending a dollar on the military and a dollar on welfare, his action is not difficult to call at all.

For the same reason, expectations of increased US economic assistance are hardly realistic. Foreign aid, except possibly for humanitarian assistance to countries on the verge of starvation such as Somalia and Sudan, will be the first to suffer in the expected massive reallocation of federal resources into domestic programs. Private investment flows will likewise probably suffer when Clinton's vision of the massive re-tooling of US manufacturing to regain competitiveness in the world market gets fully under way.

These are the Philippine concerns where the victory of Clinton means some kind of change. But in the wider scale of things, whoever won would not have meant any change in the country's fortunes, certainly not a restoration of the "special relations" with the US as the pre-war generation knows the term. For better or for worse, we Filipinos have divorced themselves from the Americans. Whoever they marry or make president, all we could do is wish them the best. We have our own lives to lead.

Editorial Hails U.S. Electoral Process

HK0511055092 Manila THE MANILA CHRONICLE in English 5 Nov 92 p 4

[Editorial: "American Style Democracy Renews Itself"]

[Text] The landslide victory of Gov Bill Clinton in the American presidential election highlights the capacity of U.S.-style democracy to renew itself in the midst of chronic economic downturn. It is said that the only successful American-style democracy is the U.S. democracy, and this was proved again in yesterday's polls.

Within hours, the magnitude of the landslide took shape through the super-efficient media and poll-reporting system, and President George Bush and third-force candidate Ross Perot conceded Mr Clinton's victory. Then, pledges of acceptance of the voters' mandate and smooth transition to the Democratic administration followed swiftly.

No grudging claims of fraud, and no prolonged counting process. In countries which emulated American-style elections or in which these were planted lock, stock and barrel like ours, the results, as everyone knows, are quite different.

The Democratic victory was made sweeter by the Democrats' sweep of Congress, whose control they retained with even heftier majorities, breaking the 12-year pattern of power being split between a Republican White House and a Democratic-controlled Capitol Hill. With Congress under full Democratic control, the U.S. two-party system returns to its consistency, especially after the voters thrashed Ross Perot resoundingly. The 18 or so vote he won means that, although there has been dissatisfaction over the two-party system, the American people are not now going to abandon their parties as institutional instruments for governing and articulating plural interests. The parties received a vote of confidence as the vehicle through which change can be made.

Mr Perot proved a fluke in American politics. He thrust himself as a third force in politics through the combination of vast personal wealth and riding on the discontent over the party system and the "establishment." He took position as a serious third candidate without the benefit of a party or of winning primaries. Previous third candidates in the U.S. had their own parties. Whatever occasional flirtations the Americans had with a third force or third parties, they in the end stick to their two-party system and try to make it work. The system still provides them with the means of alternation of power.

With a congressional majority, Mr Clinton can push hard for tough legislation that could jumpstart the ailing economy, which has been growing at only 2% over the past six quarters. Without control of Congress, it would have been a problem for him to introduce short-term pump-priming measures and at the same time cut down the deficit.

The American people apparently understood the tough problems facing the new administration in strengthening the economy, and they gave Mr Clinton no less than a mandate backed by a Democratic Congress.

It should not be forgotten that it took a Democratic president, Franklin D. Roosevelt, to break the spell of the Great Depression and spark U.S. economic recovery through New Deal initiatives that changed profoundly the American political, social and economic landscape. Now another Democrat enters the scene with the challenge to revive a stagnant economy that has left the U.S. economy diminished relative to the more dynamic economies of the European Community and even Japan.

The economy was the main issue in the election, and the issue that mattered to the voters; and they decided that they had enough of bad and incompetent economic management. Economic performance in this world of tough economic competition and formation of regional economic blocs is the test for survival of governments, regardless of their systems, and the most dynamic democracy in the world, the U.S. is no exception to this. The Ramos administration must take heed.

It was wrong for Mr Bush to make character and even hypocritical morality the issue. Puritanism was swept aside by the pocketbook punctured with holes by a Republican economic management that granted tax concessions to the rich, that lowered the living standards of the middle class, the largest class in the U.S., reduced social safety net for the disadvantaged, and built up record deficits.

The Democratic victory, reinvigorated by the dynamism of a young presidential candidate, is timely. For 12 years, it had been governed by old men constrained by conservative ideas of economic policy and management and values. By the time of the Bush presidency, the Republican Party had become exhausted with ideas and could not offer anything new, except snooping into private lives of people, even though the Cold War had ended and a new international order had emerged in which economic strength gained an upper hand over military power.

As correctly stated by Mr Clinton in his victory statement, "This election is a clarion call for our country to face the challenges of the end of the Cold War and the beginning of the next century." This emphasizes the contrast of the vision of Mr Clinton and of Mr Bush. Mr Clinton campaigned to drive the nation to the future; Mr Bush campaigned with his face turned to the past. Thus, he hit hard on Mr Clinton's evasion of draft for military duties in the Vietnam War, which was an unpopular, contentious and divisive issue in America in the 1960s and 1970s. Yesterday's election results wiped that issue off the slate.

For those who fear a more inward-looking and protectionist economic policy from the Clinton administration, probably the most apt reaction is that by the Australian Prime Minister, Paul Keating, who said that "the most important thing for Australia and America's other foreign partners is that the United States be confident of its strengths and values and sure of its place in the world."

The political change that has taken place in America could not have been welcome. [sentence as published] It has arrived as the U.S. enters a new and changed world. The First One Hundred Days will be exciting. It could teach the Ramos slow-motion presidency a few lessons on how to shake the earth.

Editorial Sees 'Hope' in Clinton Victory

HK0511032292 Manila PHILIPPINE DAILY INQUIRER in English 5 Nov 92 p 4

[Text] It's Bill Clinton, of course. Take it from the PBA [Philippine Basketball Association], or NBA. You want to rally from 20 points down, you rally in the third quarter, or early in the fourth. You don't rally in the last two minutes.

Malacanang was all for the Democratic candidate apparently. Well, that's bowing to the inevitable. He was always the wise-money bet, and the next best thing to getting what you like is liking what you get. But presumably, Malacanang had a more rational basis for its choice: A Clinton victory would help dispel the ill-will engendered by the bases debate, and improve RP [Republic of the Philippines]-U.S. relations.

Yes and no.

Of course, there are differences in Republican and Democratic attitudes, even in foreign policy. But some differences are fundamental; others are not. Some differences have to do with ways and means, and some have to do with visions and directions. The continuity in American policies, particularly those pertaining to its relations with the world, suggests that those differences may be more in the nature of the first than the second.

George Bush promised a kinder and gentler America, but if it became so, only he knew about it. The Iraqis certainly did not. Now, of course, it was also during Bush's time that the Cold War thawed to a point that would make refreezing it a not very easy task in years to come. And it was also during Bush's time that the U.S. finally withdrew their bases from our shores. But it's to be doubted if Bush, or indeed his country, may be credited for these events.

Bush did try to take credit for the first, claiming that his resoluteness in the face of the enemy did more to end the Cold War than anything else. But the American voters had heard of Mikhail Gorbachev, too, and refused to go along with Bush's delusion. Just as well, the U.S. bases in the Philippines went, but it wasn't Bush who made them go. It was Mt. Pinatubo and 12 members of the Philippine Senate. The world itself, if not America, may have gotten kinder and gentler, but it may be asked if that was because, or in spite, of Bush.

Bill Clinton promises a new America as well—one that will give Americans back their future, and the post-Cold War world a lasting peace. As Al Gore points out, the new American president and vice-president are the first to have been born after World War II. That gives the new American leadership "a youthful exuberance," much as in Kennedy's time. Will that youthful exuberance spell good news for us?

Well, there is reason to hope for some good things. Clinton's victory does not merely end 12 years of Republican rule. It ends 12 years of the undisputed reign of the American Right, a reign characterized by the sway of completely pro-business policies at home and support for some of the most tyrannical governments abroad. Not least of those governments was Marcos'. Clinton's victory signals the American public's disaffection for the first, and hopefully the second as well. His program itself may not be the most liberal in the world, but the American public's clamor for change from the demonstrable failure of Reaganomics may prod him to exceed himself.

But there is even more reason not to hope for too much. The end of the undisputed reign of the American Right is not the end of the reign of the American Right. Years ago, Jimmy Carter, though thoroughly committed to anchoring foreign policy on human rights, had to retreat from that position, amid fierce pressure from that group, and release the military aid to Marcos that he was holding back. American foreign policy is not something a president can change at will.

Indeed, it is not a foreign policy that is easily moved by friendship or hostility, in the way that we imagine friendship and hostility to be. If it is moved by friendship or hostility at all, it is only so in that the friendship or hostility comes from perceived interests, and not from a natural liking, or dislike, for ex-colonials. This is where Rudy Fernandez's [a local movie actor] line best applies: "Trabalto lang, walang personalan [This is just a job; nothing personal]." No, America isn't taking the expulsion of Subic personally, and the path to improving RP-U.S. relations doesn't lie in smoothing its ruffled feathers. We can smooth its feathers all we like, but it won't get us any more aid. Nothing personal, it's just plain broke.

But we want to improve RP-U.S. relations, why wait for America to change? Why not change ourselves? Whatever the political changes in the U.S.—whether the new government supports human rights or not, whether its supports newly restored democracies or not—none of that will matter in the end if we continue, as we did during the bases debate, to regard ourselves as the absolute beggars of Asia. Without U.S. aid, we said then, we would die. With a premise like that, Santa Claus might become president of the U.S., and we would still die.

Shakespeare said it well. The fault, dear Brutus, is not in our Stars and Stripes, but in ourselves, that we are underlings.

Ramos Orders Probe of Alleged Arms Shipment

HK0511061292 Manila THE MANILA CHRONICLE in English 5 Nov 92 p 9

[Report by Manny Mogato and Frank Longid]

[Text] President Ramos yesterday ordered the military and police to immediately check and take action on the reported landing of arms by Muslim secessionist rebels in Central Mindanao last September.

The President wanted the military and police to ensure political stability in the Autonomous Region for Muslim Mindanao [ARMM], made up of the provinces of Maguindanao and Lanao del Sur, where an election of ARMM leaders is scheduled next year.

A report from Central Mindanao said Muslim secessionist rebels brought in 3,600 high-powered rifles to the Balabaga coastal town in Lanao del Sur from Malaysia, to disrupt the ARMM elections. But Defense Secretary Renato de Villa said the report has yet to be confirmed.

Meanwhile, sources in the intelligence and national security community said the newly landed arms may include U.S.-made anti-aircraft and anti-helicopter Stinger missiles from Afghanistan.

They said the military suspected a Cotabato official to be behind the arms landing. The official may also have surreptitiously used funds intended for ARMM, the sources added.

The firearms may be used for the ARMM elections or to further the secessionist struggle should peace talks fail, a Malacanang official said.

The ARMM provinces are considered traditional election hotspots because of the presence of warring political groups, secessionist groups and loose firearms.

The President said he had asked local government officials and other concerned sectors in Central Mindanao to monitor the situation and coordinate a vigorous campaign to ensure the people's welfare and safety through the Peace and Order Council.

He also appealed to all Central Mindanao residents to help the government maintain peace and order by cooperating with the military and police.

Interior and Local Governments Secretary Rafael Alunan III said he was aware of the shipment and the President has been informed about it.

"We know there has been an injection of firearms into Mindanao ... it's apparent that these may have come from a foreign source or a number of foreign sources," he added.

For his part, Armed Forces Chief Gen. Lisandro Abadia sought to assuage fears the arms may be used to disrupt the ARMM elections.

Thailand

Government Officials React to Clinton Victory

Premier Sees 'Little Impact' on Trade

BK0411135192 Bangkok Radio Thailand Network in Thai 1200 GMT 4 Nov 92

[Text] U.S. Ambassador to Thailand David Lambertson called on Prime Minister Chuan Likphai at Government House this morning. Talking to reporters after the meeting, Prime Minister Chuan said that the U.S. ambassador had informed him about his departure for the United States to prepare for Princess Sirinthon's upcoming visit to the U.S. The prime minister said that the two sides had not discussed the U.S. presidential election. The prime minister believed that the U.S. election will have little impact on Thailand because there will not be many changes in U.S. foreign policy. However, there may be some domestic changes because the new U.S. President will have to pay more attention to the interests of Americans citizens.

The prime minister also believed that it is unlikely that the United States will take strong measures because in foreign relations there are agreements, regulations, and limitations that must be complied with.

Regarding Thai-U.S. trade relations, the prime minister said that there will be little impact on the generalized system of preferences [GSP] given to Thailand because only a few Thai products now enjoy GSP benefit. Therefore, there will be little impact on the Thai economy.

Commerce Minister 'Not Worried'

BK0411141592 Bangkok Radio Thailand Network in Thai 1200 GMT 4 Nov 92

[Text] The commerce minister said that he was not worried about the change in the U.S. leadership. However, the commerce minister will closely monitor the situation in order to avoid any effect on Thailand, especially on trade issues. Commerce Minister Uthai Phimchaichon talked to reporters at the parliament:

[Begin Uthai recording] The American people believe that the U.S. economy will improve if Clinton is elected. The American people will have higher purchasing power if the U.S. economy improves. The U.S. is a big market for the world, including Thailand. From the economic point of view, I believe that it will be good for Thailand if the American people have higher purchasing power. But, on the other hand, the new president may have to protect the country's economy by being protectionist against some products since the US.. is suffering a trade deficit. This may have some impact on Thailand. The U.S. has big trade problems with its major trade partners such as Japan, China and the EC. Thailand is not that significant, compared to the problems the United States is facing. Thailand's relations with the U.S. are very close although Thailand is a small country. So, I believe the U.S. will take its good relations with Thailand into account in making any decision. [end recording]

Defense Minister Predicts Little Change

BK0411143792 Bangkok Army Television Channel 5 in Thai 1230 GMT 4 Nov 92

[Text] Defense Minister General Wichit Sukmak believes the change in U.S. leadership will not have much impact on Thailand in terms of the Armed Forces because Thailand and the United States have exchanged cooperation and assistance for a long time.

[Begin recording] [Wichit] The United States has been assisting Thailand in national development, in training of personnel, and in other forms. Especially in development of the Armed Forces, we have benefited from U.S. cooperation and assistance for a long time.

[Unidentified reporter] Mr. Minister, with the new president in office, there could be a stumbling block on several matters. Are you worried about possible problems arising from that?

[Wichit] U.S. problems are the responsibility of the U.S. Government, and they should not affect us. We in our country are concerned rather with our internal security, with our development. This task should be pursued, especially now that we have an elected government. We should cooperate among ourselves in order to push our development process ahead. I don't think Thailand will be affected much by any problems in the United States. [end recording]

Officials, Businessmen Fear Protectionism

BK0511025592 Bangkok THE NATION in English 5 Nov 92 p B1

[Text] Thai officials and businessmen yesterday played down fears of US protectionism under the Clinton administration, believing that in practice the president-elect will be following a moderate free trade policy.

But they said Clinton, who beat President Bush in a landslide victory yesterday, will be mainly occupied with the domestic issues in the first year by trying to pull the economy out of recession.

"We need to give Bill Clinton time to formulate his trade policy because that will determine how it will affect Thailand," said Finance Minister Tharin Nimmanhemin.

Dr Amma Siamwala, president of the Thailand Development Research Institute, said the Clinton administration's policy might be protectionist to a certain degree, but it will not lead to a significant change in Thailand's posture.

He added that the major problem lies in how the new president works with the US Congress, which has increasingly played a significant role in formulating the US trade policy.

Sathaphon Kawithanon, secretary-general of the Board of Investment, believed that US trade policy will be more stringent, reflecting the Democratic control of both the White House and Congress.

"It means that introducing legislation will be easier in the new government," he said.

He said the United States is looking at a US$70 billion trade deficit and the new administration will come under pressure to redress the deficit and the huge federal debt.

"While trying to protect local industries, the US will also press for more exports," he said.

Dr Olan Chaiyaprawat, president of the Siam Commercial Bank, said although Clinton will try to protect local industries, in practice it would be difficult to do so.

"Protecting local industries was merely Clinton's political campaign issue, which needed to differentiate itself from President Bush's," he said. "But I don't think in practice that can be done effectively."

Narongchai Akkharasani, chairman of GF Holding, also said time will test whether the new Clinton administration will follow a trade policy in exactly the same way promised during the campaign.

He said the Democrats, however, will be paying more attention to resolving the economic woes, including a stringent trade policy with US trading partners, and other deep-rooted social problems.

Atchawa Taolanon, executive vice president of CP Group, said the US under the Clinton administration will be relying on bilateral channels to achieve its trade objectives rather than the multilateral talks.

"I expect that Thailand will face more protectionism from US industries," he said.

The US is still locked in a bitter dispute against the European Community over farm subsidy talks, a contentious issue that has stalled the Uruguay Round of multilateral trade talks.

Atchawa said it is possible that the trade talks under the General Agreement on Tariffs and Trade will be further delayed, so that the United States will rely on bilateral talks to achieve its trade objectives.

Phaitun Kaeothong, deputy commerce minister, said, "we have to be ready because the US is a big market for Thai exports. We hope that the change in the US administration will not lead to protectionism. [no closing quotation marks as published]

Papers View New U.S. Administration Policies

Possible Policy Changes Discussed

BK0511012792 Bangkok BANGKOK POST in English 5 Nov 92 p 4

[Editorial: "A New World Order—Clinton-Style"]

[Text] The United States may be the strongest country in the world, but they turned to consider their internal problems when they chose a new president yesterday. Bill Clinton said 13 months ago that the roots of America's problems lie at home. Through the interminable US election process, he focussed on a lagging economy, expensive health care, falling education standards and the environment. Americans clearly blamed President George Bush for those problems, and turned him out of office in a campaign where the result was never in doubt.

Mr Bush, a trained diplomat, provided one of the most gracious concession speeches in memory. It was a fast and slippery fall from the top for the president. From the near-hero status of Operation Desert Storm to a pledge to help make president-elect Clinton's takeover smooth covered a mere year and a half. During that period, US voters clearly went from confidence in their nation and its leader to pessimism over American potential. As unemployment rose and the economy settled into a recession, they pointed their finger at the office of the man where "the buck stops." Mr Clinton's political attacks were relentless and pointed; Mr Bush's responses to many seemed halting, slow, or unconfident.

Arkansas state governor Clinton will bring youth and a new outlook to the White House when he takes over from Mr Bush next January. The third-youngest president in US history, he hopes to vitalise what he claims is a troubled economy. Certainly, compared with Mr Bush and Ronald Reagan, Mr Clinton represents the change he promised to inject. But the president-elect is realistic that no Kennedy-style speechifying will cause the US economy to bounce back, let alone solve the many problems Americans see in their lives.

President Clinton's new policies should see a lot of money pumped into the American economy beginning next year. His economic theory demands what he calls "investment" by the government in programmes and education which will bring down employment and stimulate spending. The last time America flirted with such policies, under President Jimmy Carter, the results were disastrous. Mr Clinton aims to spend a lot, but to avoid the high interest rates and inflation that this policy can cause. Many economists have given top marks to the Clinton plan. And Americans are clearly in the mood to try something different from the Reaganomics which have mired the US deeply in international debt.

For most of the world, the downside of the lengthy presidential campaign was its intense focus on purely American matters. It is a fast-changing world, and few would question that Mr Clinton will be spending considerable time on foreign affairs. On many issues, he openly backed the foreign policies of Mr Bush. Many were pleased to note Mr Clinton's recognition that America's problems mostly come from within, and that he avoided the easy road of "foreigner bashing" that has caused many calls for high tariff walls and punitive actions against foreign trade.

Mr Clinton will have to begin formulating foreign policy soon. His Democratic Party has called for a change in American policy on China, and this could be his first major test. Clamping down on Peking because of human rights violations has much support in America. Whether President Clinton will be able to resist this pressure as Mr Bush has done remains to be seen. Those who know him well, however, describe Mr Clinton as a "free trader," and see few major changes in relations between his Washington and traditional American friends, such as Thailand.

According to American polls, fewer than 8 per cent of US voters considered foreign policy when they decided how to vote yesterday. Whatever mandate he won—and it is tempered by Republican victories in Congress—is clearly in the sphere of the economy. The US remains the biggest and strongest economy in the world, but the nation is saddled with an almost unimaginable national debt of 4 trillion dollars, much of it due within the next five years. Paying off that debt while continuing to expand, and leading a world after the Cold War is a tough job for anyone. Americans expecting miracles from Mr Clinton may be disappointed at the sacrifices he will ask them to make.

Sudden changes in style in Washington make many of us overseas nervous. President Clinton and his environmentalist vice president Albert Gore certainry will bring a fresh fashion to the top of the US government. The new style will, however, include realistic calls for Americans to realise they must cut back on their worst excesses, including materialist waste. Mr Clinton is credited with bringing his Democratic Party from the far left towards the political centre. Yesterday, that 13-month fight for the presidency paid off.

Americans and the world both will be looking to Mr Clinton for leadership for the next four years or more. The US wants to be freed from its recession, and the rest of us want statesmanship from Washington as a new world order takes shape.

Possible 'Tougher' Trade Protection Seen

BK0511015992 Bangkok BANGKOK POST in English 5 Nov 92 p 21

[Excerpt] Thai exporters and some senior officials have expressed concern that Bill Clinton's government may introduce a tougher trade protection policy, affecting Thai exports to that country.

Thai Garment Manufacturers' Association president Wirot Amatakunchai said he believed the US economy would pick up but that would also boost the inflation rate, weakening the US dollar.

"That will make Thai goods more expensive in dollars," Mr Wirot said.

He said the US Democrat Party had spear-headed trade protection policies so Governor Clinton could be expected to impose tougher policies in his administration.

The Intellectual Property Department submitted a note to Commerce Ministry Permanent Secretary Phachara Itsarasena saying it believed the US, under a Clinton presidency, would increase its pressure on Thailand to provide more intellectual property protection.

"One of the Democrat Party's policies is to reduce imports from other countries. In so doing, it needs justification, so it is likely to accuse Thailand of breaching intellectual property rights so that it can impose trade sanctions against Thailand," the department said.

Mr Bajr said Governor Clinton had given priority to employment, human rights and environment policies during his election campaign.

"It is likely that the US may pressure other countries to impose some of these policies and that will make production costs higher," he said. Thailand had high economic growth and a trade surplus with the US and could face trade retaliation from the US. [passage omitted]

Clinton Domestic, Foreign Policy Viewed

BK0511021792 Bangkok THE NATION in English 5 Nov 92 p A6

[Editorial: "Preparing To Deal With a President Clinton"]

[Text] US President George Bush seemed invincible coming off the Persian Gulf war last year. At that time it seemed that no Democratic challenger could ever dream of occupying the White House. Arkansas Governor Bill Clinton seemed dead because of the controversy of his draft avoidance during the Vietnam War and rumours of his womanizing during the Gennifer Flowers affair.

Bush attempted to stir up public anger over Clinton's participation in anti-war activities during Clinton's student days at Oxford in 1969. The incumbent president also tried to resurrect the cultural outrage and antagonism that divided generations in America.

But the hard facts of doom and gloom in America during the presidential campaign spoke for themselves. About 75 percent of them believe that the country is heading in the wrong direction. There is an unprecedented 41 percent cut in all white collar jobs and banks have been failing at rates not seen since the Great Depression.

The citizens look up to the government for help but they find Washington too strapped by its US$4-trillion debt to give the economy a jolt. Instead of talking about balancing the budget, Bush's emphasis was on why Clinton did not fight in the Vietnam War. The incumbent was preoccupied with the Arkansas governor's alleged character problem claiming that Clinton was not telling the truth. Sadly, that seems to be the same trait that marred Bush's term in office.

During the closing days of the presidential campaign, Bush was put on the defensive because of nagging questions concerning his knowledge of the arms-for-hostages deal with Iran while he was vice-president under the Reagan administration. The controversy found new life over the weekend with a new indictment of former defence secretary Caspar Weinberger. The prosecution introduced a memorandum by Weinberger that alleged Bush had participated and approved of the secret swap of arms for hostages, contradicting Bush's statement on the subject.

On the last day of his campaign during a non-stop blitz through eight states, Clinton said: "This is a great contest between unity and division, a contest between responsibility and blame, a contest between courage to change and the comfort of the status quo. I think I know what your answer will be." The answer of course was the obvious: The 46-year-old Arkansas governor was voted in to replace the incumbent.

Now, the topmost question on the minds of many will be what changes Clinton would make after 12 years of Republican rule while nearly 9.6 million Americans are looking for jobs, 1.1 million more have stopped searching and 6.3 million others have part-time jobs but seek full time employment. Also, in the U.S. today, having a job doesn't necessarily mean an improved standard of living. Many working Americans have experienced a decline in real income.

Clinton has brought out the stark reality that "most Americans work harder for less money than they did 10 years ago," and as part of his campaign platform he has proposed a four-year, US$80 billion programme of public works and US$60 billion of investment in education and training together with an insistence that all employers provide medical insurance for their employees. The uninsured according to Clinton would get health insurance from a private fund. Clinton also feels that the wealthy should be taxed more and people on social security should be "set to work instead of sitting at home watching television."

The Arkansas governor however could be pressured to do something about the US$320 billion budget deficit taking into account independent Ross Perot's performance. Drastic action to cut the budget deficit formed the heart of Perot's platform, and although the billionaire independent candidate did not win in any state, he performed well for a third party candidate—winning about 15 to 16 per cent of the popular vote nationwide and up to 20 per cent in some states.

Getting the deficit down will likely take priority over investment in infrastructure, training, education and health and Clinton will find himself squeezed between his commitment to stimulate the economy and fear of a backlash from Wall Street. The president-elect has been lucky all along during the presidential campaign in the sense that Bush, wanting to avoid scrutiny of his own economic record, never really challenged Clinton's economic proposals.

In terms of foreign policy under a Clinton presidency, we can expect human rights to be a central foreign policy concern of the US. It is for certain that the US will link China's trading privilege under the Most Favoured Nation status to China's human rights record and its conduct on trade and weapons sales. Because of Bush's sentiments towards China by vetoing the conditions attached to renewing China's MFN status, Beijing had room of manoeuvre it never enjoyed before.

For Asian countries which are wary of Beijing's ambitions in the region, a stronger US policy in this respect will be looked upon favourably.

Yesterday, Americans chose Democratic challenger Bill Clinton to put their country back on course again in the post-Cold War world. The lingering question now is: Will the new Democrats in power in Washington be any better at healing a sick American economy, running a heavily indebted government and coping with world problems than their Republican predecessors?

Emphasis on Human Rights Expected

BK0511022992 Bangkok THE NATION in English 5 Nov 92 p A6

[Article by Kawi Chongkitthawon: "Clinton To Emphasize Human Rights"]

[Text] With Bill Clinton as the new American president, US foreign policy will return to emphasize promotion of democracy and human rights.

In years to come, Washington can be expected to use its diplomatic and economic leverage to increase incentives for democracy-building in the developing world. That means increased linkage between future US assistance and tangible progress being made in democratization in countries where basic political freedom is lacking.

Under Clinton, Washington will likely maintain its so-called "proportional engagement" in dealing with security threats in the Asian region. Such a policy would avoid any open-ended commitments while encouraging countries within the region to share responsibility for their joint security.

The idea of collective security arrangements will become a more attractive proposition to be discussed amongst US strategists in the Clinton administration.

These are some of the key ideas of Clinton's foreign policy that will have direct implications for Asian countries.

In one of his foreign policy speeches, Clinton said he would work to promote democratic values abroad. "The defence of freedom and the promotion of democracy around the world aren't merely a reflection of our deepest values. They are vital to our national interest. Democracy means nations at peace with one another, open to one another's ideas and one another's commerce," he said.

With such a belief, Clinton will support evolving institutional structures that help countries struggling with the transition to democracy and open market economy.

Within Asia, several countries will fall into this category: China, Indonesia, Burma, North Korea, Vietnam, Laos and Cambodia are targeted countries.

Clinton's position on China is already well-known and has caused some alarm in East Asia.

He said in August that he would link China's most-favoured nation (MFN) status, which gives China export privileges in the United States, with Beijing's performance on democracy and human rights as well as its weapons sales.

Singapore's Senior Minister Lee Kuan Yew has openly warned of the impending mistake of historical proportions, saying it would have far-reaching implications for all Asian countries. Lee said if China's trading privileges with the United States were withdrawn, it would affect Hong Kong, Taiwan, Japan, Korea and the members of ASEAN countries.

Without the MFN status, Lee believed that China would have less incentive to maintain peace in the region.

Discussions with senior Thai Foreign Ministry officials, who asked for anonymity, revealed mixed feelings. They believed that Clinton would have to adjust his China policy and show more flexibility towards the world's most populous nation.

Although most of them shared the sentiment of Lee's assessment, few thought that Clinton's tougher stand on

China would cause the Chinese communist leaders to think twice before cracking down on pro-democracy citizens or adopting more aggressive action that could intensify conflicts in the region, such as in the disputed Spratly Islands.

One of them lamented Thailand's failure to include the promotion of democracy and human rights as part of the Chuan government's foreign policy objectives.

"Thailand has lost one important commonality with Clinton's foreign policy," the official contended.

In an earlier draft of the preamble on foreign relations, it was clearly stated that Thailand would be committed to the promotion of democracy and human rights. It could have been the first time for Thailand to come out with such a position. But Prime Minister Chuan Likphai decided to delete the phrases in the final policy statement to avoid overcommitting Thailand's diplomacy.

However, the Foreign Ministry officials said Thailand had a good record on human rights and democracy despite the horrible political violence in May. They also expressed confidence that with the elected Chuan government, Thailand's image had improved in the eyes of the emerging Clinton administration.

With Clinton's strong advocacy of democracy and human rights, Thai academics and analysts believe that Thailand's policy toward Burma could come under fire by the new US Government. Since 1988, Thailand has been very friendly toward the military junta in Rangoon.

At the Foreign Ministry yesterday, when Foreign Minister Prasong Sunsiri was asked whether a President Clinton would affect Thailand's policy toward Burma, he dodged the question.

M.R. Sukhumbhan Paribatra, director of Chulalongkon University's Institute of Security and International Studies, has been a vocal critic of Thailand's position on Burma.

The academic believes that Thailand's policy toward Burma will run into trouble with the US Congress, which has been very concerned with the political oppression in Burma.

Judging from comments by Clinton's inner circle of foreign policy advisers, who include Antony Lake of Mount Holyoke College, Washington attorney Samuel Berger, Madeleine Albright of Georgetown University, Michael Mandelbaum of Johns Hopkins University, Warren Christoper, Richard Schifter and Nancy Soderberg, the US military presence in Asia will be scaled down but not to the point of risking the creation of a power vacuum.

Such a view could cause concern in some Asian countries, which have called for a continued US military presence despite the end of the Cold War and diminishing threats from communist countries. However, given the background of some of these advisers, such as Lake, who used to work with former President Jimmy Carter, the United States under the Clinton administration is unlikely to dramatically cut back its presence in the region.

Instead, the United States will look at other options and engage its friends and allies in the region in discussions on ideas such as a regional collective security arrangement, a framework for confidence building and threat management. Of late, some Asian countries have openly endorsed such an approach as a possible mechanism for improved security dialogues to avoid future conflict.

Editorials Comment on Clinton Victory

BK0511104392

[Editorial Report] The 5 November issues of the Thai papers, NAEO NA, MATICHON, and SIAM RAT, carry editorials on the victory of Bill Clinton in the U.S. presidential election.

NAEO NA's 900-word editorial on page 4, entitled: "Welcome Clinton," says the victory came as expected and that it was a landslide victory over President Bush. Pre-election analyses projected Clinton and his Democrat government to be tough in protecting the interests of the American people i.e. in trying to solve the U.S. trade deficit, being tough on imports, and in imposing higher taxes on luxury goods and services. Since the United States is Thailand's major export market, there have been fears that Thailand's exports would be affected. Thailand is also worried about possible U.S. pressure or retaliation for its failure in enforcing the patent, trademark, and copyright law. Thailand is also afraid it may lose all its GSP [Generalized System of Preferences] privileges given by the United States to Thai exports.

"While offering congratulations to Bill Clinton who will officially take over as the new U.S. president in January next year, we have to think about preparing ourselves for possible changes that will be introduced by the new U.S. president. Regardless of assertions by some of our cabinet ministers and senior officials that Thailand would not be affected by the new leadership no matter who the new president is, we must be prepared. We should play safe by upholding the Buddhist principle of not being overconfident," the paper concludes.

MATICHON's 600-word editorial on page 8, entitled: "Bill Clinton, the Winner," says Bill Clinton's victory reflects the efficiency of U.S. polls. Some people claim that it was an organized poll to manipulate American opinion. President Bush himself called upon the American voters to call their bluff and to elect him for another four-year term. But the winner was Clinton. The paper notes: "The factor that determined Bill Clinton's victory was certainly not the polls. The American people believe President George Bush has failed in his handling of the national economy. Regardless of President Bush's success in foreign policy, the American people are more concerned about economic problems. They answered

Bill Clinton's call and voted for him so that the nation can have a leadership change."

SIAM RAT's 600-word editorial on page 3, entitled: "Is This a New Dimension?" also believes the American people are disappointed and tired with the recession and the old politics. They want a new generation of politicians to hold the reins and create a new political dimension. So, what Clinton will have to do for the American people is to create a new dimension in politics and revive the economy. In Thailand, observers care less about the first task than the second. "Here, we are more concerned with the second issue—we are afraid that the new U.S. economic policy would have an impact on Thailand's exports. However, we have failed to realize that politics and the economy are closely intertwined," the paper says, adding that we still have to see whether Bill Clinton would be able to push through his program to revive the U.S. economy. He will still have to wage a long war with his economic opponents.

In conclusion the paper says: "The younger generations in Thailand and the United States are alike. They dream of a new dimension in politics, of transparency, and democracy. It is possible for the American people to achieve their dream because of their social conditions are suitable. But in Thailand, it is difficult to dream because power groups in our society are old-fashioned people.

Textile Agreement With EC To Be Extended 2 Years

BK0411012992 Bangkok BANGKOK POST in English 4 Nov 92 p 28

[Text] Thailand will extend its bilateral textile agreement with the European Community (EC) for another two years to comply with the extension of the multilateral textile pact.

The Cabinet yesterday endorsed a mandate for a Thai delegation, led by Foreign Trade Department Director-General Charai Chutharatkun, to participate in a meeting of the Multi-Fibre Arrangement (MFA), the multilateral textile agreement which includes a series of bilateral quotas negotiated between importing and exporting countries.

Because a conclusion to the Uruguay Round of the GATT multilateral trade talks is not expected this year, the major textile-importing countries proposed extending the existing arrangement for another two years. The five-year-old MFA agreement was extended for 17 months when it expired in July 1991.

It was originally hoped to bring textile trade back under the framework of the GATT talks within 10 years.

The Cabinet yesterday also approved a Commerce Ministry proposal under which Thailand will negotiate with the EC, Canada, and Austria to extend the existing agreement which will expire at the end of this year if the latest meeting of the MFA agrees to extend the arrangement for another two years.

It authorized a Thai delegation to negotiate and to sign the memorandum of understanding on textile and clothing agreements with the EC if the delegation succeeded in concluding the bilateral textile talks with the EC in Brussels next week.

Exporters Worried by Jan 1993 EC Restrictions

BK0511034192 Bangkok THE NATION in English 5 Nov 92 p B12

[Text] The creation of the single market in the European Community has prompted Thai exporters to review their business strategies.

The single market in Europe does not mean only a lifting of trade barriers among the 12 nations in the Community, but the unification has brought about higher quality standards on food imports as well as strict regulations which might hinder exports from Thailand.

Thai exporters have voiced concern at the seminar on Thai Exports to the EC yesterday that Thai food products and textile exports might be harmed by the unification.

They said the EC single market legislation would require tighter standard controls, for instance, the requirements under the ISO 9000 (International Standard Organization) where have not been widely developed in Thailand. [sentence as published]

The common standard in the EC is expected to hurt Thai food exports, in which the export value in the sector last year topped Bt21.09 billion.

The participants at the discussion also raised concern that the Single Market, starting January next year, would encourage the EC importers to switch to buying low-labour cost textiles and garments in the Community.

Thai Ambassador to Brussels Danai Tulalamba said: "By next year, the Community is expected to introduce 282 new directives concerning import regulations, and the question is how Thai exporters have prepared to follow the new requirements set by the EC."

Although the EC will not employ all new directives immediately from January, next year, Danai has urged the govemment to accelerate taking up plans to cope with the single market. For instance, the Thai Government should appoint one particular agency to be responsible for giving a quality recommendation for Thai exports to the EC.

The Community is expected to adopt the tighter restrictions when the single market evolves from January next year.

The complicated procedures start from the producing process until the products leave the warehouse.

Thai exporters have to prove that their products are free of disease. In addition to that, the food additive in the products and packaging system should meet with the EC requirements.

"That agency should also assure the EC officials that our quality controls reach their demands, so that the inspection process on Thai imports would be on a random basis, instead of mandatory inspection, which wastes a lot of time and discourages EC importers from buying goods from Thailand," he said.

The EC has recently contacted the Livestock Department to inspect the Thai poultry exports to the Community. The EC delegations will arrive here in February next year to see whether Thai poultry products meet the EC standard.

The 12 nations have two methods to narrow the legislative differences in the Community. The first is to use a mutual recognition basis, or accepting the existing regulations of one EC country without having to amend the regulations. And, the EC should harmonize regulations in which the EC nations are required to transpose their legislation to bring about common control.

Out of concern over tighter import regulations in the Community, some have suggested the Thai businessmen should set up their plants in the EC to guarantee their markets in the EC and its neighbours. Danai, however, was doubtful whether the idea would come to fruition.

"Theoretically, the suggestion is right. But what will be our comparative advantage there. Can we send our Thai labour to work in our overseas factories or can we send our raw materials to add value in the EC countries? The answer is no. Japan and Korea might be able to do so, because they set up plants there to add value to their parts and components imported from their homeland. [no closing quotation marks as published]

Committee Okays Curbing Khmer Rouge Border Trade

BK0511032592 Bangkok THE NATION in English 5 Nov 92 p A8

[Text] It was imperative that Thailand moved now to curb border trade with the Khmer Rouge to show its sincerity in restoring peace in Cambodia, the House Committee for Foreign Affairs said yesterday.

Committee Chairman Krasae Chanawong said the committee agreed that continued trading between Thai businessmen and the Khmer Rouge had a negative impact on the implementation of the United Nations-sponsored peace plan.

Speaking after a committee meeting to review Thai-Cambodian border trade, he said any move to seal off the border should be carefully conducted, taking into account both Thailand's commitment to the UN and its vested interest in the Bt [baht] 3 billion trade with the communist guerrillas.

He said the committee would await the outcome of this weekend's peace talks in Beijing before deciding what action Thailand should take.

France and Indonesia are hosting a special meeting in Beijing to break the current deadlock on the peace process. The Khmer Rouge continues to defy the UN peace plan by refusing to disarm their troops.

The committee was briefed on the situation in Cambodia after the stationing of the UN Transitional Authority in Cambodia (UNTAC) by representatives from the Foreign Ministry, Interior Ministry, Defence Ministry, and National Security Council.

Businessmen trading with the Khmer Rouge also attended the meeting and shared their views.

Sutham Saengprathum, the committee's spokesman, said that the Foreign Ministry believed UNTAC would come up with "certain measures" to punish the Khmer Rouge, to which Thailand would comply.

He quoted the Foreign Ministry officials as saying that Foreign Minister Prasong Sunsiri would try to persuade the Khmer Rouge to join the peace process to avoid any undesirable consequences for Thailand if the United Nations sanction was implemented.

If the sanction came into force, he said, Thai traders and workers would be hurt. At least 200 mines are operated by Thais in the areas under Khmer Rouge control, employing about 10,000 Thai workers.

Chat Thai Leader Named Formal Leader of Opposition

BK0411004392 Bangkok BANGKOK POST in English 4 Nov 92 p 6

[Text] Chat Thai Party leader Praman Adireksan was formally appointed leader of the opposition bloc by His Majesty the King yesterday.

Pol Gen Praman said a ceremony will be held at his residence in Soi Rajakhru off Phahonyothin Road on Friday to receive the royal command.

Bangkok Bank To Open Branch in PRC 7 Nov

BK0411013992 Bangkok THE NATION in English 3 Nov 92 p B16

[Text] Deputy Prime Minister Dr Amnuai Wirawan and Ye Xuanping, deputy chairman of the Chinese People's Political Consultative Conference, will preside over the opening ceremony of Bangkok Bank branch in Shantou on Nov 7.

This is Bangkok Bank's 18th overseas branch and its first in China. It is headed by Rewadi Techawanit. It has a registered capital of US $7.5 million and 20 staff.

The branch will provide full banking services and accept deposits in Hong Kong dollars, US dollars, and Thai baht as well as handling money transfers, promissory note discounts, foreign exchange, L/C [letters of credit], credit cards, and investment advice.

Shantao has six banks and the last to open was Commercial Bank of Hong Kong. It is the biggest port town after Guangzhou and has a population of 11 million. Exports totalled US $1.4 billion.

New TV Channels To Promote Freedom of Information

BK0511032792 Bangkok THE NATION in English 5 Nov 92 p B4

[Text] The May crisis was the major cause of some drastic changes to Thai society. During and after the turmoil one important concern has been the right to be exposed to news and information.

In July, the new government under Prime Minister Anan Panyarachun decided to set up a committee to reform the structure and role of the mass media owned by the state, particularly television.

Since all five Bangkok TV stations are owned by the army and the state, the new committee proposed that to resolve the problems which had occurred and at the same time to avoid future conflict, the government should issue licences to the private sector to set up new UHF (ultra high frequency) TV stations.

These new TV channels will be utilized as a means of promoting freedom of information.

The logistics of setting up new TV stations were discussed by the government-appointed committee in consultation with representatives of the private sector and non-governmental organizations (NGOs) in July and August. The initial agreement, approved by Cabinet in early September, says:

—Five new TV channels will be established on the UHF waveband.

—Two channels will be privately owned and run.

—The other three channels will be owned by the government and positioned as public service channels. One will be used for educational programmes, another to broadcast parliamentary sessions, promotion of democracy, agriculture, national development, and environmental matters, and the third will be kept as a reserved channel for special purposes and emergency broadcasts.

—The number of TV viewing hours per day per person will increase since more options are to be available.

—However, audience rating per spot will decrease since the same total number of viewers will be spread out over more channels.

—Deregulation of television will enable TV owners and producers to control their own programming and management policy.

—The number of new programme suppliers will increase rapidly to provide news and other programmes to stations that need them.

—Feature films will be promoted heavily by most stations since it is the easiest way to fill in airtime and to attract advertisers.

—Some good programmes will rerun several times due to a programme supply shortage.

—Programme sponsorship will be introduced and encouraged by most TV channels since the station will get full support (long-term contracts) from advertisers.

—Programme barter will be accepted by most TV stations since it will lower their production expenses.

—Direct Response and/or Public Relations will be used to promote products or services through selected programmes.

—Qualitative value will play an important role in media measurement and evaluation since many new programmes will have small and select audiences.

—Inflation of TV rates will slow down since more new programmes will be available to advertisers and advertising agencies.

—The TV business will change from a seller's to a buyer's market since supply will exceed demand.

Vietnam

Deputy Premier Proposes Normalization With U.S.

BK0511113892 Hong Kong AFP in English 1109 GMT 5 Nov 92

[Text] Hanoi, Nov 5 (AFP)—Vietnamese Deputy Prime Minister Phan Van Khai proposed to the United States here Thursday that the two countries work toward normalized relations, a day after the election of Bill Clinton as President.

Phan Van Khai said at a press conference that he believed Clinton, who will take over as U.S. President January 20, would "certainly continue to cooperate with Vietnam with regard to better resolving humanitarian problems and promoting the process of normalisation with Vietnam."

"We are ready to build relations with the United States on the basis of equality, mutual respect and reciprocal interest," Phan Van Khai said, adding that "the United States is a big country that plays an important role in the world."

Hanoi and Washington have not had diplomatic relations since the end of the Vietnam War in 1975 and the fall of the pro-American South Vietnamese Government.

The United States also imposed an economic embargo against Vietnam after Vietnamese troops invaded Cambodia in 1978.

But the deputy prime minister, who is also a member of the Central Committee of the Vietnamese Communist Party, said that a date for talks on normalisation would be up to U.S. leaders.

Spokeswoman on Clinton, PRC Oil Rig

BK0511123592 Hanoi Voice of Vietnam in English 1000 GMT 5 Nov 92

[Text] The spokeswoman for the Vietnamese Foreign Ministry on Thursday, 5 November, told Vietnamese and foreign newsmen that Mr. Bill Clinton has been elected President of the United States. She expressed the hope that the new U.S. President will continue to cooperate with Vietnam in the settlement of the humanitarian issue and promote the process of normalization of relations with Vietnam in the interests of the peoples of both countries and for peace, stability, and cooperation in Southeast Asia and the world.

On Vietnam's policy towards the United States, she said: Vietnam is consistent, we are ready to look for the future and build the foreign relations of mutual respect and mutual benefit.

On China's withdrawal of its Nanhai Oil Rig No. 6 from the Tonkin Gulf, the Vietnamese spokeswomen said it is true that we have received the news released by the NEW CHINA NEWS AGENCY. As affirmed by Vietnam's note on 3 September 1992 that Chinese Nanhai Oil Rig No. 6 layed in the territorial waters of Vietnam in the Tonkin Gulf. The withdrawal of this oil rig is a [words indistinct] and a positive sign.

Radio Comments on Tasks Facing Clinton

BK0511132592 Hanoi Voice of Vietnam in English 1000 GMT 5 Nov 92

[Station commentary]

[Text] Bill Clinton is the first Democrat President since Jimmy Carter who won the election in 1980 [as heard]. Clinton is the third youngest President of the United States and at the same time the first White House owner who was born after World War II, and the first native of Arkansas—the poorest state in the country—becoming President.

In his election campaigns, Bill Clinton promised to increase the government's spendings in order to restore the nation's declining economy and create more jobs for the people. He also promised to restore the country's economic strength, considering it a priority to maintain national security, and called for a rapid reduction in the number of troops stationed in Europe.

These promises show that in the coming years, Bill Clinton will concentrate on boosting the national economy. In his years as governor of the State of Arkansas, Mr. Bill Clinton has made notable achievements for Arkansas' economy. However, these achievements are only limited to within one state. It may be different on the national scale.

By voting for Bill Clinton, the American people are expecting a change in the country. Mr. Clinton himself admitted that with high hope and brave heart, a massive number of American people have voted to make a new beginning.

What the Americans are expecting is to get the American economy out of the crisis. It is expected that Bill Clinton, the young President of the United States, who had the achievements in his own state, will fulfill his commitments. We have to wait and see whether this hope comes true or not.

Friendship Group Condemns U.S. Sanctions on Cuba

BK0511055992 Hanoi VNA in English 0531 GMT 5 Nov 92

[Text] Hanoi VNA Nov. 5—"The Vietnamese people and the Vietnam-Cuba Friendship Association reaffirm their solidarity with and strong support for the Cuban people in their just cause of defending national independence, sovereignty and development, and demand the US Government to put an end to the Torricelli Act and other hostile acts aimed at tightening sanctions against Cuba," said the Vietnam-Cuba Friendship Association in a statement on Nov. 4.

The statement said that the new US hostile act against Cuba tramples upon the United Nations Charter and international practice and is a challenge to the independence and sovereignty of all nations. It runs counter to the world's common trend toward peace, cooperation, and development, the statement added.

U.S. Flood Relief Delegation Visits

BK0411152692 Hanoi VNA in English 1514 GMT 4 Nov 92

[Text] Hanoi VNA Nov. 4—A delegation of the Office for Foreign Disaster Aid (OFDA) under USAID [United States Agency for International Development] led by Mr. Bradford, assistant director of the OFDA programmes, paid a visit to Vietnam from October 28 to November 2.

In Hanoi, the delegation met with the representatives of the Vietnamese Foreign Ministry and Red Cross to inquire into the losses and urgent needs of the storm and flood-stricken areas in central Vietnam.

The American guests visited Truong Thuy village, (Le Thuy District), one of the worst hit villages in Quang Binh, and presented 22,625 US dollars to this province to help the victims of floods.

They also visited a flood-stricken area in Ha Tinh where it offered 2,000 US dollars for the purchese of 12 tonnes of relief rice.

Hanoi Warns of Khmer Rouge 'Warlike Acts'

BK0511042492 Hanoi Voice of Vietnam in English 1000 GMT 26 Oct 92

[Station commentary]

[Text] The Cambodians have just commemorated the first anniversary of the signing of the Paris peace accords on Cambodia in a pessimistic atmosphere because targets of these agreements have not been achieved. What is the reason behind this situation?

One of the main objectives of the Paris peace agreement is to disarm and concentrate at least 70 percent of the Cambodian armed forces prior to October when registration for a general election was due to start. Yet so far only 50,000 of the total 200,000 soldiers have demobilized. These men are members of the Sihanouk, Son Sann and the Phnom Penh government factions which means that only three instead of four factions adhere to the cease-fire while the Khmer Rouge refuses to lay down their arms. Worse still, they continue to violate the truce. Their acts of sabotage are on the rise.

Although the United Nations spends as much as $2 million on the peacekeeping operation in Cambodia, the budget is still not enough to cope with the Khmer Rouge acts of sabotage against this process.

The past year has been more than enough to realize the Khmer Rouge's unconstructive stand toward implementation of the Paris agreement which is a real threat to the peace process being underway in Cambodia.

The Voice of America last Friday warned that these Khmer Rouge actions are (?pitching) the country into a divided one. If reality goes on this way, the peace agreement will never be achieved in Cambodia. Subsequently, stability may fall out of reach for the Cambodians.

The United Nations and concerned countries must take resolute action to prevent the Khmer Rouge warlike acts.

Khmer Rouge 'Massacre' of Vietnamese Condemned

BK0511050092 Hanoi Voice of Vietnam in English 1000 GMT 4 Nov 92

[Station commentary]

[Text] A spokesman for the United Nations Transitional Authority in Cambodia [UNTAC], Eric Falt, reaffirmed that the Khmer Rouge are the culpits of the massacre of the Vietnamese nationals in Koh Kong Province southwest of Cambodia. He even produced evidence for his accusation.

In late September a group of 14 Vietnamese nationals in Koh Kong Province, Cambodia, were brutally killed. The Khmer Rouge were held responsible for the massacre. UNTAC has opened an investigation into the killings. After a month this case was brought to light.

According to Mr Eric Falt, the local people said that in the morning of 30 September the Khmer Rouge soldiers broke into each house of those Vietnamese nationals and took those handcuffed Vietnamese away. Eleven of them were shot in the head and three others were reported missing. According to the UNTAC spokesman they might be killed somewhere. He further said that 15 Khmer Rouge soldiers were involved in this execution. He also informed the Khmer Rouge of this investigation.

It is obvious that those barbarous acts conducted by the Khmer Rouge during the time they were in power are repeated these days in Cambodia. The only difference is the victims now are Vietnamese nationals who are innocent and industrious and who, as Prince Sihanouk put it, have contributed to the cause of reconstruction in Cambodia.

The Khmer Rouge attempt to sabotage the traditional friendship between Vietnam and Cambodia. These ill-intentioned acts cannot yield the expected results. What is more important is that the world community should check the hands of the criminals, not to allow the recurrence of genocide in Cambodia against any innocent people.

Thai Efforts To Help Cambodia Peace Viewed

BK0511044492 Hanoi Voice of Vietnam in English 1000 GMT 3 Nov 92

[Station commentary]

[Text] Thailand has renounced its mediator role in the Cambodian issue for the reason that they had failed to persuade the Khmer Rouge to abide by the Paris agreement on Cambodia. The British news agency REUTER reported that Thailand is disappointed and tired of the Khmer Rouge.

At last Thailand could not show any patience toward the Khmer Rouge. For nearly a year Bangkok acted as the mediator for the factions in Cambodia. While public opinion strongly condemned the Khmer Rouge for their military activities in Cambodia, Thailand was assumed flexible in trying to persuade the Khmer Rouge to (?rethink) from their actions. Especially when recently the Security Council of the United Nations decided to go on with the elections scheduled even if the Khmer Rouge won't participate, Thailand once again [word indistinct] its role as a mediator with the hope of changing the Khmer Rouge attitude.

However, all the efforts were in vain as the Khmer Rouge defied all their [word indistinct] and goodwill. They even went to the length of criticizing Mr Akashi, the UNTAC [UN Transitional Authority in Cambodia] head, besides [word indistinct] the shopworn allegations against Vietnam.

Seriously, though, they are feverishly preparing for a military offensive in the coming dry season to usurp power in central Cambodia. They started their offensive with an attack on Phnom Penh suburbs last Friday killing several civilians. Phnom Penh, for the first time since the signing of the Paris agreement on Cambodia began, came under the Khmer Rouge mortar shells.

Thailand's disappointment toward the Khmer Rouge is understandable and this is not only for Thailand. Thailand returned to France and Indonesia, the two co-chairmen of the Paris agreement on Cambodia, the role of the mediator. Will these two countries fulfill their responsibilities if the Khmer Rouge stubbornly carry out their military activities in Cambodia?

France Gives 180 Million Francs in Economic Aid

BK0411152192 Hanoi VNA in English 1502 GMT 4 Nov 92

[Text] Hanoi VNA Nov.4—An economic delegation of the French Government led by Dov Zelan, vice director general of the treasury, paid a visit to Vietnam from Nov.2-4.

The delegation held talks on Nov. 2-3 with an economic delegation of the Vietnamese Government led by Tran Ngoc Trang, member of the State Planning Committee, on the non-refund aid of the French Government to Vietnam in 1992.

The two sides signed a financial protocol for 1992 which provides for 158 million French francs. The sum will be used to carry out 21 projects on infrastructural development in the fields of water supply, telephone, bridge construction, transport by sea, air and road, public lighting, hospital restoration, personel training... Together with the 22 million francs for the instalation of the Quang Nam-Da Nang-HCM City microwave telecommunication line approved by the French Government last May, this brings to 180 million francs the total of French aid to Vietnam in 1992.

Present at the signing ceremony were deputy head of the State Planning Committee Tran Xuan Gia and French Ambassador to Vietnam Claude Blanchemaison.

Deputy Prime Minister Receives Mexican Official

BK0411153492 Hanoi VNA in English 1517 GMT 4 Nov 92

[Text] Hanoi VNA Nov. 4—Deputy Prime Minister Nguyen Khanh received here yesterday afternoon Mrs. Sandra Fuentes, general director of the Pacific Department of the Mexican Foreign Ministry on a current visit to Vietnam.

Speaking to his [as received] host, Mrs. Sandra Fuentes said that Vietnam is an important target of Mexico's open-door policy towards Asia and the Pacific.

She promised to do her best to further the cooperation between the two countries in economy, culture, science, technology, personnel training and trade exchange.

Earlier, the Mexican delegation was received by Deputy Foreign Minister Le Mai, and had working sessions with the Ministry of Commerce, the State Committee for Cooperation and Investment.

This morning the guests paid homage to president Ho Chi Minh at his mausoleum and left Hanoi for Ho Chi Minh City this morning.

Radio Reports Trade Volume with Korea

BK0511043292 Hanoi Voice of Vietnam in English 1000 GMT 3 Nov 92

[Text] Trade volume between South Korea and Vietnam increased to U.S. $344 million in the first nine months this year from $240 million during the whole of last year.

Domestic Economy, Political Leadership Examined

BK0511093392 Singapore THE STRAITS TIMES in English 2 Nov 92 p 12

[Article by correspondent Tan Lian Choo who was in Hanoi recently, entitled: "High-Level Division of Labour Seen in Hanoi"]

[Text] Hanoi—Prime Minister Vo Van Kiet is hoping his reform efforts to lift Vietnam out of its economic doldrums will pay off soon. Otherwise, he may have big social and political problems on his hands.

The winds of change can be felt all over the country, especially in the urban areas. But ordinary Vietnamese are not sure if Mr Kiet can succeed in his reforms.

"The cost of living has really shot up and we find it now very expensive," said a Hanoi resident.

Compared to recent years, the economy is now booming. Since 1989, visitor arrivals have rose yearly by more than 16 per cent, bringing in much-needed tourist dollars.

Vietnam's exports have also increased substantially giving rise to a trade surplus for the first time in decades.

Many foreign investors, including Singapore entrepreneurs, are attracted by low production costs and the potential market.

Vietnam's main export commodities are crude oil, rice and seafood. However, a boom in these three sectors alone cannot help Hanoi create 300,000 jobs by 1995.

State Committee for Co-operation and Investment (SCCI) chairman Dau Ngoc Xuan said that only 20,000 new jobs had been created through foreign investments since Vietnam liberalised its economy in 1986 and opened up to foreign entrepreneurs.

The SCCI vets applications by foreign investors to set up factories.

Mr Xuan said that Vietnam's labour force was about 35-million strong and he estimated that unemployment was below 10 per cent.

According to independent sources, the unemployment rate is as high as 20 per cent, while underemployment hovers around 40 per cent.

Vietnam is a long way from joining the ranks of the "Asian Tigers"—Singapore, Hongkong, Taiwan and South Korea—and is not concerned yet, to say the least, with efficiency and job optimisation.

Current per-capita gross national product is US$200 (S$320) and gross domestic product growth last year was 2.4 per cent.

Mr Kiet's challenge is to win the hearts and minds of more than 66 million impoverished Vietnamese by delivering the better life his reforms promise.

Against this tall order is another crucial political test for Mr Kiet and his reform-minded Cabinet colleagues, including Mr Phan Van Khai, the Deputy Premier and Mr Kiet's heir-apparent.

Can they enjoy the continued backing of the more-hardline Vietnamese Communist Party leaders? Such political support must be forthcoming if the reforms are to succeed.

In an interview, Mr Kiet said that his current reform efforts enjoyed "unanimous support" from his fellow Politburo members.

"We have laid the foundation and we are confident of the unity of our party," he said, citing the resolutions of the Seventh Party Congress held last year and the new Constitution adopted in April.

He hinted that the Constitution had enshrined "renovation" and suggested that it also reflected party unity.

"Renovation", or doi moi in Vietnamese, is the buzzword nowadays to justify any move towards change.

But the real test for Vietnam's leaders today centres on how successfully they can disassociate the task of managing the national economy from ideological considerations.

This runs against conventional Vietnamese wisdom about managing the country's economy. But Hanoi, inspired by Beijing's methods, is determined to give it a go.

If it succeeds, the Vietnamese Communist Party will be transformed gradually into a nationalist-style party without the ideological commitment to achieve Marxist goals such as the "dictatorship of the proletariat".

Analysts here note that Mr Kiet and Mr Khai never make public statements which suggest that they are re-interpreting the ideological tenets on which the party was founded.

All the rhetoric on communist ideology is left to party boss Do Muoi who, as Politburo chief, ranks first in 11 protocol arrangements.

"The party still leads the country," said a political analyst wryly.

A Western diplomat observed: "There seems to be a high-level division of labour here. Mr Do Muoi is in charge of developing the party in response to the new pressures.

"Mr Kiet and Mr Khai have been given charge of economic matters while the President, General Le Duc Anh, is left to handle internal security and defence matters."

Gen Anh is ranked third in the Politburo. He is believed to have a strong grip on the security apparatus, which has remained intact despite all the talk about renovation.

"There are big ears everywhere—they are organised to prevent an incident like Tiananmen. The party and army are well integrated," said the diplomat.

In 1987, following the first cautious moves to liberalise politically, Vietnam's powers that-be decreed that non-party candidates could stand for election.

However, five years later when elections were being held for the National Assembly, only two out of 40 people who had nominated themselves were allowed to stand for election.

To qualify as candidates nominees had to be approved by their neighbors and colleagues through a secret ballot or by a show of hands. As a result, a number of formerly outspoken assemblymen from Ho Chi Minh City were not allowed to run again.

At the very top, power is concentrated in the hands of 146 Central Committee members. This is Vietnam's true political elite, mandated to rule in ways they deem appropriate for the country.

However, in keeping with the communist tradition of grassroots participation in decisionmaking, administrative power is often highly localised and effective at the district or regional levels.

This often allows local party officials to command a significant following in their constituencies, which means that there could be local resistance to policy directives from the central authorities.

Many of Mr Kiet's policies do not translate effectively at the local level. Anticorruption measures are often ignored in this way.

The Cabinet's effectiveness given such constraints, is limited. And even though there are now more reform-minded southerners in the Cabinet, they are still a minority.

Only nine out of 34 ministers are from the former South Vietnam. One optimistic forecast puts the best-case scenario for Mr Kiet's government as making some real headway in three or four years.

Diplomats note that Mr Kiet's team is still bound to a collegial system of decisionmaking.

An analyst said: "This means that the policy decisions may not be brilliant but they tend to err on the side of caution.

Analysts speculate that party ideologues are worried fearing a real political challenge to their positions because of the reform policies.

These hardliners argue that the party is still the unifying factor following decades of division in the country.

If they embrace renovation it is mainly because they see it as a way to enhance national unity.

Rapid economic growth in the south has aggravated the growing dichotomy between north and south.

Officials are also wary about the impact if the country is opened up to foreign influences when the United States lifts its trade and investment embargo.

A diplomat said: "The Vietnamese leadership desperately needs the embargo to be lifted in order to have access to international funds for infrastructure development.

"At the same time, they are very nervous about its impact domestically. It's going to be a real shock when it happens."

Meeting Reviews Project on Financial System

BK0411065792 Hanoi VNA in English 0612 GMT 4 Nov 92

[Text] Hanoi VNA Nov. 4—A tripartite meeting to review the implementation of the project on financial system development was recently held here between the United Nations Development Programme (UNDP), the International Monetary Fund (IMF), and financial and banking agencies of Vietnam.

The project, funded by UNDP and executed by IMF, is aimed at strengthening the capacity of the Ministry of Finance and the State Bank.

In the financial field, the project has been carried out in the areas of state budget, treasury, the supervision of state-owned enterprises, and foreign debt management.

In banking, the project has worked on general accounting information and statistics, and payment, thus helping in working out a monetary policy in transition to a market economy.

Meeting Held on Central Highlands Development

BK0411133392 Hanoi NHAN DAN in Vietnamese 29 Aug 92 pp 1, 4

[VNA report]

[Text] Comrade Phan Van Khai, standing vice chairman of the Council of Ministers, met recently in Ho Chi Minh City with the leaders of the mountainous regions and nationalities office; the State Planning Commission; the agriculture and food industry and public health sectors; the people's committees of Lam Dong, Dac Lac, Gia Lai, and Kon Tum provinces; some economic units with close ties to the Central Highlands in the rubber, coffee, and mulberry-silk worm sectors; the Central Highlands college; and the 15th military corps. The meeting was held to contribute views to the drafting of a plan for socioeconomic development in the Central Highlands.

The Central Highlands is composed of four provinces: Kon Tum, Gia Lai, Dac Lac, and Lam Dong. It covers an area of 55,600 square km and has a population of nearly 2.7 million—16.7 percent of the country's total area and 3.9 percent of its population. The Central Highlands is a region with great and diverse potential in terms of land, flora and fauna, climate, hydrology, minerals, and tourism. It retains a position of socioeconomic importance and is also a strategic region in terms of national security and defense.

In the past 17 years, our party and state have adopted many important policies to develop the potential of this region and the socioeconomic life of the local people of various nationalities. Initially, centers have been set up for the production of goods together with products such as rubber, coffee, tea, and silk.

In general, however, there are many shortcomings in the socioeconomic development of the Central Highlands. Production remains poor, backward, and considerably uneven between cities close to highways and those in highland and remote areas. In the areas formerly known as resistance bases, the number of people suffering from dangerous diseases such as malaria and goiter and other epidemic-type diseases continues to be relatively high, while the illiteracy rate is still high compared to other areas.

To enable the Central Highlands to keep pace with its position and potential, the meeting unanimously agreed with the targets of the general strategy set forth in its socioeconomic development draft plan from now till the year 2000. These involve developing its economy comprehensively in conformity with its ecological system; turning it into a major export goods production center of the country, achieving an important step in the effort to improve the material, cultural, and spiritual life as well as the health of its people of various nationalities; and ensuring political stability, social safety, and national security and defense.

Socioeconomic development in the Central Highlands also requires sound investment in advanced technology, especially environmental technology, as well as in planning work, and the selection of seeds and cultivation techniques. Meanwhile, it is necessary to take into consideration the "open-door economic" policies in order to amass capital and acquire labor techniques from many sources and components, both at home and abroad.

Based on the above-mentioned orientations, the meeting determined specific socioeconomic development tasks for the Central Highlands in the years ahead. This involves satisfying the basic need for grain for its population of more or less than three million. Regarding industrial crops, efforts must be concentrated on quickly expanding the areas of coffee, rubber, mulberry, cotton, and tea, while establishing various production centers to turn out more products and goods of high export value. Delegates from various sectors and localities submitted a number of suggestions to the party and state on mechanisms and policies in particular, with the aim of amassing investment capital from various sources at home and abroad, granting tax reduction or exemption to collectives and families that have been given land and forest land in remote and highland areas for cultivation or exploitation, and bolstering the prices of a number of products that merit promotion but which are still encountering marketing difficulties. They also pointed out the need to establish a system of compensation for cadres working in the Central Highlands, to pay special attention to public health work, and to eliminate gradually the differences in the standard of living between various areas and nationalities.

Concluding the meeting, Comrade Phan Van Phai carefully analyzed the Central Highlands position in the country's socioeconomic development strategy. He also affirmed that the need to develop the Central Highlands is a pressing, absolute, and objective one.

Confirming his comprehensive views on its socioeconomic development along with ensuring national security and defense and solving all nationality and environmental problems, the comrade vice chairman of the Council of Ministers urged all sectors, localities, and establishments in the region to continue to deliberate especially on the structure, solutions, steps, implementation capacity, and economic efficiency of each program. Comrade Phan Van Khai pointed out the need to renovate all state-run units to ensure that they truly play a crucial role in its socioeconomic development and retain a key position in the settlement of nomads and allocation of land and forests in accordance with various socioeconomic solutions. The comrade vice chairman also emphasized the need to change the substance and mode of training, and the assignment of selected cadres from ethnic minority groups or lowlanders to work in highland and remote areas. He said: In modifying or replenishing various systems and state policies, attention must be paid to the policies on the multicomponent economic structure, production insurance, agricultural promotion, and taxes. This is to encourage and enable the people of various nationalities and all economic components—masters of the Central Highlands—to participate in developing this fertile and strategically important region of the country.

Buddhist Congress Closes; Leaders Visit Do Muoi

BK0411153192 Hanoi VNA in English 1514 GMT 4 Nov 92

[Text] Hanoi VNA Nov.4—The Third National Congress of the Vietnam Buddhist Church held its closing meeting here this afternoon after two days' sitting.

In the morning, after continuing to hear reports of representatives of the Buddhist communities from various provinces and cities, and of the various committees of the central committee, the participants adopted by show of hands the new charter of the Vietnam Buddhist Church.

They adopted letters of thanks to General Secretary of the Communist Party of Vietnam Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet, pledging to work for a stronger national bloc. The congress also adopted letters to the Buddhist clergy at home and abroad, calling on them to unite and work for the interests of the religion and the people, uphold the teachings of Lord Buddha to help achieve stability, peace, cooperation and friendship all over the world.

The congress elected the Sangha Council of the Vietnam Buddhist church comprising 33 members, and elected the Executive Council composed of 60 full members and 10 alternate members.

The Most Venerable Thich Duc Nhuan was re-elected president of the Sangha Raya Council.

The congress also voted for the ordainment of 83 most venerable bonzes and 83 venerable bonzes, both men and women.

The congress concluded with the consecration of Lord Buddha's holy relics to Quan Su Pagoda, office of the central committee of the Vietnam Buddhist Church.

Later in the day, members of the new Sangha Council and Executive Council of the Vietnam Buddhist Church paid a courtesy visit to Party General Secretary Do Muoi.

Australia

Minister Expects Nuclear Test Ban Under Clinton

BK0511083492 Melbourne Radio Australia in English 0500 GMT 5 Nov 92

[Excerpts] There has been a mixed reaction from Asia and the Middle East to victory in the American presidential election of Bill Clinton. [passage omitted]

Australia's foreign minister, Gareth Evans, said some of the biggest changes to be expected from the Clinton administration will be in arms control. Senator Evans said he expects to see America adopt a comprehensive nuclear test ban treaty.

On Asian issues, he said China would be a test for Mr. Clinton's stated enthusiasm for human rights and democratic reforms.

Minister Fears Depression if U.S. Sanctions EC

BK0511072692 Melbourne Radio Australia in English 0500 GMT 5 Nov 92

[Excerpts] The European Community has blocked the United States' request to the world trade body, GATT, for approval to impose sanctions on up to $1 billion worth of EC farm products. [passage omitted] Australia's acting foreign minister, Neil Blewett, has predicted a depressing global impact if the U.S. goes ahead with trade sanctions against the EC.

Dr. Blewett was referring to the possibility of the U.S. taking unilateral action against the EC. Meanwhile, Australia will maintain its push to achieve a successful outcome to the world trade talks. Australia is also considering calling a ministerial meeting of the Cairns Group of trading nations which support the liberalization of international trade.

Evans To Take Part in Cambodian Peace Talks

BK0511065992 Melbourne Radio Australia in English 0803 GMT 4 Nov 92

[From the International Report]

[Text] Australia's Foreign Minister Gareth Evans is to go to Beijing to take part in the consultations on the Cambodian peace process. Senator Evans is leaving on a scheduled visit to South Korea in the next two days and will then go on to spend the weekend at the Beijing talks.

The consultations will be conducted by the Indonesian foreign minister, Ali Alatas, and the French foreign minister, Roland Dumas. The two cochairmen of the Paris peace conference will hold talks with the four Cambodian factions, the UN special representative in Cambodia, Yasushi Akashi, and representatives from Japan, Russia, the United States, Thailand, and Britain. Senator Evans announced his decision at a press conference in Canberra.

[Begin recording] [Evans] I guess the meeting that is taking place in Beijing is rather premised on the assumption of continuing non-Khmer Rouge cooperation. And therefore, it is a matter of the setting out now to put in place in rather more detail a strategy to deal with that—which I believe essentially will be a strategy of pursuing the election for April and May timetable, and reshaping the military aspects of the settlement process to cope with the reality of, as you say, of Khmer Rouge non-cooperation. And beyond that, I really do not want to comment further, so it is going to be a lively subject for discussion over the weekend and I will be in the better position to give you a readout of the state of play hopefully when I get back.

[Correspondent] What about your use of the word reshaping? Would you like to emphasize that?

[Evans] Well, obviously the present settlement is premised upon the cantonment, the disarmament, and alternate demobilization of at least 70 percent and ultimately more than that of the armed forces of all four groups. If the Khmer Rouge is not participating in that process even though there has been some cantonment that has taken place across the board including of Khmer Rouge forces, obviously that needs to be rethought. You cannot denude absolutely the other armed forces to the extent that they are still existing in that environment. You cannot rely wholly on the existence of the UN peacekeepers as a disincentive to take action. And that requires obviously the reshaping of that part of the settlement because it cannot be implemented in its originally intended form. [end recording]

Parliamentarians Criticize New E. Timor Governor

BK0411043892 Melbourne Radio Australia in English 0300 GMT 4 Nov 92

[Text] Two Australian parliamentarians have criticized comments by East Timor's new governor, Abilio Soares, on the Dili massacre last November. The governor is reported to have told Indonesia's law reform magazine, FORUM KEADILAN, that Indonesian troops should have killed more of the demonstrators, and he is reported to have estimated that the death toll in the massacre was 200 people.

Labor government parliamentarians, Warren Snowdon and Laurie Ferguson, said if the governor's comments were reported accurately they invited vigorous condemnation of his office. They described the reported comments as obscene, appalling, and brutal, and said the statement made clear the need for an international monitoring body to be allowed into East Timor.

They said Mr. Soares was quoted as justifying the appalling abuse of human rights in East Timor.